

RADIO CEL
ALBRECHT GUSTAV ENGELS
WAS., ET AL
BRAZIL - ESPIONAGE (G)

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RADIO CEL;
ALBRECHT GUSTAV ENGELS, WAS; ETAL.

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RADIO CEL;
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I. INTRODUCTION

The title is marked "changed" solely because the present report is thought to have the first full title ever used in instant case.

The present report was written in order to coordinate the information which has accumulated in the file, and to set out at the same time the results of interviews with the principal subjects.

It is felt that acquaintance with the table of contents will facilitate the location of any information in the report. A table of contents was necessary because of the bulk of the report. Moreover, it is felt that made up into sections it will be more handy as a reference on the CEL case.

The "NARRATIVE" section is an attempt to highlight briefly the salient facts. It is not an effort to summarize the case.

Section IV, "DESCRIPTION OF CEL PERSONNEL", is perhaps the fullest of all the sections. It is set forth in alphabetical arrangement as to subjects, and contains all the available information developed as a result of a review of the files and interviews with the subjects. It is thought that all the other section headings are self-explanatory.

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RADIO CEL;
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II. NARRATIVE

On March 18, 1942, with the arrest of GUSTAV ALBRECHT ENGELS by the police of Rio de Janeiro, clandestine radio station CEL, important unit in the German espionage service, operating in the Western hemisphere was broken up.

This radio station, under the supervision of ENGELS, was the rallying point for a complete espionage service in direct contact by radio, by courier, and until January 30, 1942, by diplomatic cable with the headquarters of the German high command in Germany.

As nearly as can be deduced from the known facts, the service began when ENGELS, a ranking executive and director of the Allgemeine Elektrizitaets Gesellschaft, was recruited by JOBST RAVEN, Lieutenant in the German army attached to the Wirtschaftsdienst, (I W) of the German High Command (OKW), and old South American business associate of ENGELS, when ENGELS was in Germany on a regular quadriennial vacation and business trip to Germany. The actual recruitment of ENGELS is said to have taken place at the Columbus Hotel in Genoa on September 10, 1939. ENGELS' original undertaking with RAVEN was simply the furnishing of information on economic and industrial features of life in the Western hemisphere. The information was to be directed through "mail drops" to RAVEN and was to be made directly available to the OKW.

ENGELS returned to Rio de Janeiro and began to perform the duties of a "wirtschaft beobachter" or economic observer, sending his reports to RAVEN.

About the middle of 1940, ENGELS was contacted in Rio by one ERICH LEONHARDT-IMMER, former Sao Paulo, Brazil business man, currently a captain in the German army, also attached to the IW of the OKW. IMMER informed ENGELS that he had come to Brazil to enlarge the field of German activity and to consider the formation of a complete espionage organization. ENGELS began to give his reports to IMMER to be forwarded to IW.

Toward the end of 1940, ENGELS was approached by another officer, one JOHANNES SIEGFRIED BECKER, whom ENGELS learned was a major in the German army, also attached to the IW section of the OKW.

It was BECKER, according to ENGELS, who transformed the organization from a simple economic observer service into an espionage organization complete with short wave radio transmitting facilities and espionage agents in all fields which could interest or be of service to the OKW in the German war effort.

The complete service consisted of agents in the United States and Brazil furnishing information about shipping, economic and industrial occurrences, war production and military movements in the United States and political and military developments in Brazil.

The communication system was replete with radio, codes, mail drops and couriers operating on the Lati Line and neutral boats. Until January 30, 1942, the existing communication facilities were supplemented by a liberal use of the diplomatic facilities of the German Embassy.

The CEL organization was in contact with most of the other espionage groups existing in Brazil and with station PYL in Chile, MAX in Mexico, with one BIEBEL, operating or to operate from Ecuador and with one DIEGO, Captain DIETRICH NIEBUHR of the German Embassy in Buenos Aires.

The German Diplomatic Service was represented in the espionage organization by LUDWIG VON BOHLER, Naval and Air Attache at the German Embassy in Chile, HERMANN BOHNY, German Naval Attache in Rio de Janeiro, General NIEDENFUHR, German Military Attache at Buenos Aires and Rio de Janeiro, and Captain DIETRICH NIEBUHR, German Naval Attache in Buenos Aires and head of the Buenos Aires espionage activities of the German Government.

After the arrival of BECKER, development of the service was rapid. Direct radio communication with Germany began to function smoothly about mid-July of 1941. At about the same time, a maritime service under the direct supervision of HERBERT JULIUS VON HEYER was added to the informant organizations built up by SIEGFRIED BECKER and HERMANN BOHNY. These services were taken into the group headed by ENGELS.

BECKER left Brazil, presumably to return to Europe, in October, 1941.

Funds at the disposition of the station totalled about \$112,000, but strict economy was observed and ENGELS was able to return about \$85,000 to GLOCK, Secretary to the German Embassy, on the eve of his arrest. These funds were to be transmitted to HERMANN BOHNY.

After Brazil broke diplomatic relations with the Axis countries, a very liberal use was made by the German Embassy of the radio facilities of ENGELS up until the time of the arrest of ENGELS. Several messages signed "Pruefer", German Ambassador to Rio, largely purely diplomatic messages, were intercepted.

The great bulk of the subjects who were active in South America are presently being tried on charges of espionage against the Brazilian Government. It is thought that in all probability they will be sentenced in the near future, and details as to prosecutive action will be submitted at the earliest possible date.

Niebuhr =
Naval
Attache

See 1Q. SBZ-45
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RADIO CKL;
ALBRECHT GUSTAV ENGELS, WAS; ETAL.

III. CKL SUBSTATION

The personnel of the CKL Substation are charted on the next page and they are discussed in alphabetical order on the ensuing pages.

There is no good reason for considering CKL and CKL (SCHLEGEL) in the same report. However, they have been considered as one case heretofore and no reason appears sufficient to support a separation of the two groups at this time.

The work of the CKL (SCHLEGEL) was to some extent a duplication of the work done by the other stations. In fact, all the stations that were effective duplicated one another's work to some extent.

The story of the station, as told by SCHLEGEL, is as follows. SCHLEGEL was a Wehrmacht officer. When the war broke out in Europe he tried to devise some way in which he could be of service, however, he was in Brazil and the opportunities for serving directly seemed to him to be remote. As time went on, the idea finally occurred to him that he could probably be of some service to the German Army by furnishing information to the German officials.

As explained by SCHLEGEL, many of the commercial firms in Germany, particularly those in the steel or any metal business, had their own radio communication stations. The necessity for these stations was explained by SCHLEGEL as arising from the fact that prices and trading in steel were so brisk. The Deutsche Edelstahl Werke, SCHLEGEL'S company, had its own receiving and transmitting station in the headquarters of the firm in Krefeld. SCHLEGEL decided it would be an excellent idea to transmit any information which he thought would be of value to the officials of his company in Krefeld and let them make it available to the German Government. In this connection, SCHLEGEL advised that he was sure any information would be immediately available to the German Government because of the fact that all radio communications was censored.

SCHLEGEL advised that he contacted BENNO SOBISCH, an expert radio technician (SOBISCH handled the stations for most of the clandestine radio stations in Brazil). SOBISCH built a radio for SCHLEGEL and SCHLEGEL acquired an operator. SOBISCH then instructed the operator how to get in touch with the company in Krefeld.

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About the time the radio station was set up in the home of KARL THIELEN, SCHLEGEL's principal assistant in the Aeos Marathon Steel Company, subsidiary of the Deutsche Stahl Werke, SCHLEGEL decided to make a trip to Germany on business.

In Germany he went almost immediately to the headquarters of his firm at Krefeld, which is a small town very near Cologne and near Lansburg. While SCHLEGEL was in his home firm he heard his own station in Brazil transmitting.

SCHLEGEL advised that when he returned to Krefeld he found one of the old attorneys for the company, Captain KRAMER-KNOTT, in charge of both mail and radio censorship at Krefeld. KNOTT was an old acquaintance of SCHLEGEL and they worked out some of the details of the operation of the station. SCHLEGEL advised that no business of an unusual nature took place between him and KRAMER-KNOTT but that KRAMER-KNOTT merely told him that all information was most welcome.

It should be mentioned that the operator whom SCHLEGEL heard sending on his own station in Brazil was ROLF TRAUTMANN, also an employee of Aeos Marathon. SCHLEGEL advised that when the station was operating well, he, KARL THIELEN and ROLF TRAUTMANN were the principal personnel.

Somewhere along the line he received a communication from Germany advising him to get in touch with ERWIN BACKHAUS, a German metal salesman, who was unemployed and was located in Recife, Brazil.

SCHLEGEL contacted BACKHAUS, brought him to Rio, discussed the operation of the service with him, gave him some secret ink or told him how to prepare such ink, and gave him some funds. He does not remember how much money he gave to BACKHAUS but thinks it was about five contos. This sum corresponds with the estimate of the money made by BACKHAUS.

On BACKHAUS' return to Recife, he began sending down information of a military intelligence nature, such as the movements of ships and aircraft, and the construction of aviation fields in the north of Brazil. There are differences in the story told by BACKHAUS and the story told by SCHLEGEL on this point.

SCHLEGEL advised that his service merely forwarded technical, scientific and industrial information which he and THIELEN got from the magazines which came to Brazil from North America until BACKHAUS came into the service. BACKHAUS, however, stated that he was solicited by SCHLEGEL to furnish information pertaining to ships and aircraft.

In all, the CKL Substation sent about 78 or 80 messages to Germany, principally of an industrial or economic nature, and received about 25 messages from Germany. These messages were usually signed "KNOTT."

On the 18th of December, 1941, BACKHAUS was arrested by the police authorities in Recife and SCHLEGEL broke up his station, fearing that it would be discovered by the police.

SCHLEGEL procured the assistance of CLAUS VON DELLINGHAUSEN and persuaded VON DELLINGHAUSEN to permit him to put his transmitter on a farm belonging to DELLINGHAUSEN. The farm was located about eighty miles west of Belo Horizonte. With the assistance of EDWARD GUSTAV UTZINGER and TRAUTMANN, the station was moved to the farm of DELLINGHAUSEN. SCHLEGEL affirms that he had no further contact with the radio station after this move and claims that all contact concerning it was had through UTZINGER. However, SCHLEGEL does admit that he contacted HERBERT VON HEYER at the instance of HERMANN BOHNY, German Naval Attache in Rio. SCHLEGEL was unable to fix the date of this visit to VON HEYER but said it seemed to him it was around the last of December, 1941. SCHLEGEL said that BOHNY called him in and told him he had received a wire from Germany inquiring why SCHLEGEL was no longer working. SCHLEGEL and BOHNY quarreled about the answer and BOHNY finally sent SCHLEGEL to VON HEYER to send an answer advising that SCHLEGEL was no longer working.

This story of SCHLEGEL'S does not appear to correspond exactly with the cables subsequently intercepted over the CKL Station but SCHLEGEL insists that these messages shown to him must have been sent by UTZINGER.

The magazines used principally by the SCHLEGEL group as a source of their information were Time, Life, Readers' Digest, and the New York Daily Mirror, as well as an occasional technical magazine.

TRAUTMANN has advised that the Germans seemed to be extremely interested in their messages to him in information about a substitute for steel.

None of the subjects other than SCHLEGEL appeared to have any idea about the source with whom they were communicating in Germany. TRAUTMANN has advised that the only mail drop which the station used was KRAMER-KNOTT, either Doctor or Captain, Neussplatz,

Cologne.

SCHLEGEL has advised that he always communicated with KRAEMER-KNOTT directly at Krefeld and that he had no recollection of a mail drop in Neussplatz.

SCHLEGEL maintained firmly throughout the interview that his station was entirely a voluntary proposition and that he paid the greater portion of the expenses of the operation of the station; that his only contact in Europe was with KRAEMER-KNOTT, who was no more than a censor of radio communications and a captain in the German Army.

The codes used by the CEL (SCHLEGEL) Substation were the Rudolf Mosse business code and later a variation of the code used by the ENGELS group. These codes are set out in the section under Codes.

The ink used by the SCHLEGEL group was simply a combination of a few drops of lemon juice in a small quantity of pure alcohol. This ink could be used on any sort of paper, dried quickly, was fairly serviceable, and could be developed with ordinary "Flit."

The following is a discussion subject by subject, in alphabetical order, of the subjects who had any contact with the CEL (SCHLEGEL) Substation group. It is mentioned that the subjects in the CEL (SCHLEGEL) Substation group have already been tried and sentenced by the Brazilian Tribunal De Seguranca. The sentences given out were as follows:

- THEODOR FRIEDRICH ^{ch}SLÄGLE, fourteen years,
- CLAUS VON DELLINGHAUSEN, eight years,
- KARL THIELEN, eight years,
- ROLF TRAUTMANN, eight years,
- GUSTAV UTZINGER (Fugitive), eight years in absentia,
- ERWIN BACKHAUS, eight years,
- PAUL RABE, HANS PESTUKA, and ERNST CONRAD were all acquitted.

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CEL SUB STATION
(SCHLEGEL)

SECTION III

GERMANY

DEUTSCHE EDELSTAHLWERKE
KREFELD - GERMANY
CHIEF - CAPTAIN KRAEMER-KNOTT.

LIASON WITH CEL
HERBERT VON HEYER.

THEODOR FREDERICH SCHLEGEL
- CHIEF IN RIO -
ALIAS - (SALAMA)

TECHNICIANS.

ROLF TRAUTMANN
EDWARD GUSTAV
UTZINGER.

BENNO SOBISCH
(DECEASED TECHNICIAN
FOR ALMOST ALL
CLANDESTINE RIO
STATIONS)

DR. KARL THIELEN
- ASSISTANT IN RIO -
ALIAS - (TORRES)

ERWIN BACKHAUS
- RECIFE -

MISCELLANEOUS

HANS PETUSKA
CARLOS STORY.

HANDLED TRANSMITTER.

CLAUS VONDELLINGHAUSEN
ERNST CONRAD
PAULO RABE

ERWIN BACKHAUS

ERWIN BACKHAUS was an employee of the firm of Korff Und Honsberg, Pastoratstrasse 46 Remscheid, Wuppertal, Rhineland. BACKHAUS was located in Recife and without employment, due to the difficulties in the steel business, when SCHLEGEL got in touch with him and invited him to Rio. After the trip to Rio, BACKHAUS returned to Recife and agreed to send information about aircraft and navigation to SCHLEGEL.

He was to send this information by the simple alcohol and lemon juice secret ink method described above. As to where the agreement to forward shipping and aircraft information originated is not clear. SCHLEGEL said it came from BACKHAUS and BACKHAUS said it came from SCHLEGEL. Six letters in all, or possibly eight, according to BACKHAUS' statement, were sent by him to SCHLEGEL.

BACKHAUS advised that there was no problem whatever in getting information in Recife at this period; that he never had to pay any money for information and did not have to go to the port or to the airports himself.

BACKHAUS was arrested on December 18, 1941 by the Recife Police. He is presently serving a sentence of eight years, which was passed upon him in January of 1943.

BACKHAUS gave the following background. He was born in Burscheid near Cologne on July 15, 1909. He was educated in the Gymnasium at Burscheid. He had been employed with the firm of Korff Und Honsberg for several years, usually travelling for them. BACKHAUS claimed that he was not a member of the Nazi Party but was a member of the D.A.F. (Deutsche Arbeits Front). BACKHAUS advised in this connection that all inland Deutsch Germans had to belong to the D.A.F.

BACKHAUS advised that the firm Korff Und Honsberg is now controlled by the Nazi Party and that STURMFUHRER ERNST BRUMSBURG is the party representative and an owner of the business. On BACKHAUS' last visit to Germany, from January to August in 1938, his contacts on this trip were all business or holiday contacts and he had no contact with German officials except his contact with the Army officials who had to give him an exit permit before he was permitted to leave Germany in August of 1938.

It will be recalled that in one of the messages in the CEL intercepts ENGELS demanded that Germany clarify his position with regard to SCHLEGEL because the story was going around that SCHLEGEL was the main agent in South America. BACKHAUS is alleged to have told CARLOS VON DER STEINEN that SCHLEGEL told him he, SCHLEGEL, was the main agent. BACKHAUS denied that this is the case and said that

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what he did state was that SCHLEGEL was the head of his own intelligence group. BACKHAUS affirmed that his only contacts of an espionage nature in South America were with SCHLEGEL and THIELEN. He also admitted that he knew VON DERSTEINEN. BACKHAUS denied any contact whatever with any espionage organization or any knowledge of any espionage agents working in the United States. He also denied any knowledge about espionage conditions or organizations in Germany. BACKHAUS is described as follows:

Age	33
Height	5' 9"
Weight	170 lbs.
Build	Stocky
Hair	Dark brown, parted on the left
Eyes	Hazel
Complexion	Dark
Ears	Large, projecting from the head
Features	Long nose, round, piggy face
Beard	Medium heavy
Peculiarities	Mole on left cheekbone
Languages	German, Portuguese
Occupation	Travelling salesman
Marital status	Married
Relatives	Wife, DORA MONICA HELENA BAUMOTTE, who resides in Rio, Father, RICHARD BACKHAUS, deceased, Mother, LENA FOSS, deceased, Sisters, three, all living in Borscheid, Germany.

Handwriting specimens on BACKHAUS were submitted on
March 18, 1943.

ERNST CONRAD

ERNST CONRAD was an acquaintance of GUSTAV UTZINGER. When UTZINGER fled from Rio de Janeiro at about the time the CEL subjects were being arrested, CONRAD rented an apartment for UTZINGER in Sao Paulo, Brazil. This seems to have been the extent of CONRAD'S connection with the SCHLEGEL group and at his trial he was acquitted for lack of evidence.

DEUTSCH EDELSTAHL WERKE, Krefeld, Germany

This organization is the steel company which employed SCHLEGEL. Under the auspices of this company, SCHLEGEL formed the Aeos Marathon, a subsidiary of the Deutsch Edilstahl Werke, in Rio de Janeiro. The Aeos Marathon was the employer of ROLF TRAUTMANN and KARL THIELEN. SCHLEGEL has advised that the people in Germany to whom he transmitted were officials of the Deutsch Edilstahl Werke. This company, according to SCHLEGEL, has its own radio receiving and transmitting station, used in normal business in normal times, and at present under the administration of the German High Command, controlled by Captain KRAEMER-KNOTT, officer in the German Army.

Captain KRAEMER-KNOTT, also known as Dr. KRAEMER-KNOTT, Krefeld, Germany

According to information furnished by THEODOR SCHLEGEL, KRAEMER-KNOTT is a Captain in the German Army and mail and wireless communication censor, with headquarters at Krefeld, near Cologne. SCHLEGEL has advised that KRAEMER-KNOTT was the KNOTT of the CEL intercepts and that all communications which he received from Germany were signed by KNOTT.

SCHLEGEL advised that KRAEMER-KNOTT was formerly an attorney for the Deutsch Edilstahl Werke in Krefeld. He stated he was in personal contact with KRAEMER-KNOTT for the last time in July or August of 1941. SCHLEGEL gave the following personal description of KRAEMER-KNOTT:

Age	55-58
Height	5' 9"
Build	Stocky
Hair	Light reddish
Complexion	Fresh, freckled
Peculiarities	Ugly features, Dutch type head, always wore civilian clothes
Speech	Speaks with a Cologne accent

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HANS PESTUKA

HANS PESTUKA was a salesman for the firm of Acos Marathon Ltda., of Rio de Janeiro. PESTUKA was quite friendly with SCHLEGEL and with some of the other agents in the group. As PESTUKA was a travelling salesman for Acos Marathon, it was thought that he worked as a courier. All agents interviewed in the SCHLEGEL group have denied that PESTUKA had any contact whatever with the espionage service. PESTUKA was tried on espionage charges before the Tribunal De Seguranca but was acquitted for lack of evidence.

PAULO RABE, alias PAUL RABE

PAULO RABE was the caretaker of the DELLINGHAUSEN farm on which the SCHLEGEL radio transmitter was hidden. It was alleged that RABE assisted in hiding the SCHLEGEL transmitter but all of the agents have denied that RABE had anything to do with the service.

RABE was tried before the Rio Tribunal De Seguranca, but was acquitted for lack of evidence.

THEODOR FREDERICH SCHLEGEL, with aliases: THEODORO SCHLEGEL,
SAYAMA

SCHLEGEL was the agent in charge of the radio transmitter called the CKL Substation (SCHLEGEL). SCHLEGEL came to Brazil in 1936 to investigate the company Stahl Union, which was the merchandizing subsidiary of the Deutsch Edelstahl Werke, a steel manufacturing company in Germany.

In Brazil SCHLEGEL formed the company Acos Marathon to take the place of the Stahl Union and sell steel. SCHLEGEL made yearly trips to Germany on which he visited and conferred with his superiors in his home firm and in December, 1939 he made a trip to the United States.

SCHLEGEL advised that on his trip to the United States he contacted stainless steel manufacturing companies in order to see if it were possible to purchase steel for export to Brazil. He advised that he visited the Jessup Company in Washington, Pennsylvania, the Tuttle Company in Chicago, Illinois, and the Timken Company, which he believes is in Detroit. SCHLEGEL advised that ALEX BENECKA, Madison Avenue 376, New York, was his agent in New York for transactions in steel.

SCHLEGEL advised that all his contacts in the United States were purely of a commercial nature and at no time has he had any personal contact or contact by mail with any agents in the United States, furnishing information to him to be transmitted to Germany.

The most recent trip which SCHLEGEL made to Germany was in June of 1941. This trip is interesting because of the following circumstances. SCHLEGEL maintains that he was a bitter enemy of the Nazi Party but that he was a patriotic German. On one occasion VON COSSEL, Nazi leader attached to the German Embassy in Rio, telephoned SCHLEGEL and called him to his office. SCHLEGEL said that he told VON COSSEL if he wanted to see him to come to his, SCHLEGEL'S, office. As a result of this exchange, VON COSSEL denounced SCHLEGEL in June of 1941. SCHLEGEL was extremely anxious to return to Germany. His anxiety was based upon business conditions and also upon the fact that his only living heir, a nephew, had been badly wounded in the campaign in Poland and he desired to make changes in his will. Also, SCHLEGEL was curious as to how his efforts to furnish information would be received in Germany. SCHLEGEL

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attempted to get passage on the Lati Airline to Europe but was advised that the only way he could get a priority for such travel was to act as a diplomatic courier and carry the German diplomatic pouch to Berlin. SCHLEGEL agreed to do this. One of the dispatches in the pouch which he carried was VON COSSEL'S dispatch denouncing SCHLEGEL.

Through friends in the German Army, SCHLEGEL was able to avoid any action on VON COSSEL'S denunciation. SCHLEGEL advised that his friends who aided him on this occasion were FRITZ WIEDEMANN, Generals MILCH and UDET, General STUMPF, and HERZOG VON SAXE-COBURG GOTHA.

SCHLEGEL remained in Germany for a couple of months, returning in August of 1941.

The story of how SCHLEGEL began operating his radio station is told in the beginning of this section. It is repeated here that SCHLEGEL prior to his trip to Germany in June of 1941, acquired a one hundred watt short wave transmitter through BENNO SOBISCH, who arranged the technical difficulties and made it possible for SCHLEGEL to communicate with the radio equipment of his firm in Krefeld.

Considerable information has gotten into the file to the effect that SCHLEGEL or the Aeos Marathon Company made a contribution of 15,000 contos (\$750,000) to the German Government. The story appears to have come from JOSEF STARZICZMY. SCHLEGEL advised that there was no truth whatever in this statement; that in all, the service did not cost more than 100 contos and that it was financed entirely by him, SCHLEGEL. SCHLEGEL insisted that he did not even receive his expenses from the German Government.

With regard to Captain KRAEMER-KNOTT, SCHLEGEL advised that this individual was at one time an attorney for the Deutsche Edlstahl Werke; that upon his return to Germany in 1941 he found that KRAEMER-KNOTT was a Captain in the German Army and a mail and wireless censor for the German Government, with headquarters at Cologne and Krefeld. It was through KRAEMER-KNOTT that SCHLEGEL furnished his information to the German Government.

SCHLEGEL has advised that he assumed full responsibility for the operation of his service and that this service was entirely spontaneous on his part. He advised that he recruited KARL THIELEN and ROLF TRAUTMANN; that subsequently he recruited ERWIN BACKHAUS, and that after the arrest of BACKHAUS on December 18, 1941 he lost all interest in the operation of the station because of the obvious danger that the station would be broken up and the entire personnel

arrested as a result of the arrest of BACKHAUS. SCHLEGEL advised that he ordered the radio equipment moved from the home of KARL THIELEN to a farm owned by a friend of his, CLAUS VON DELLINGHAUSEN, and that after the transfer of the transmitter he had nothing whatever to do with the operation of the service. He advised that any activities which might have taken place with regard to this station were done on the responsibility of EDWARD GUSTAV UTZINGER. SCHLEGEL admitted knowing and having a slight personal contact with HERBERT VON HEYER, chief assistant in the ENGELS group. He also advised that VON HEYER may have sent as many as two messages for him, however, he advised that the bulk of the cable correspondence in the CKL intercepts must have come from UTZINGER and did not come from him.

SCHLEGEL denied knowing FEDERICO KEMPTER, Chief of Radio Station LIR. He admitted knowing ALBRECHT GUSTAV ENGELS, Chief of Radio Station CKL. He advised that his contacts with ENGELS were of a social or commercial nature.

SCHLEGEL denied having had any contact with any of the German diplomats in the furtherance of espionage or intelligence work.

SCHLEGEL advised that at no time did he pose as the chief espionage agent in South America and also affirmed that he knew very little about the espionage organizations existing in Rio until he became acquainted with them in prison in Rio.

There is set out a group of six messages handled over Radio Station CKL and three messages handled over Station LIR:

CKL to Germany - October 8, 1941

REQUEST REPLY OUR 39 RE SCHLEGEL.

CKL to Germany - October 11, 1941

POINTS FROM SCHLEGEL AND LEO LETTERS 29 RECEIVED.

CKL to Germany - November 26, 1941

MILITARY ATTACHE REQUESTED CLARIFICATION CONCERNING MY POSITION AND TASK, INASMUCH AS SCHLEGEL HAS POSED AS MAIN AGENT. I SUGGEST THAT MILITARY ATTACHE MAKE VERIFICATION AT YOUR END.

CEL to Germany - December 18, 1941
URGENT REQUEST FROM SCHLEGEL FOR NEST IN COLOGNE
THE EMERGENCY CODE KEY.

Germany to CEL - December 26, 1941
COLOGNE WILL STAND BY TO RECEIVE BETWEEN 20 AND 21 HOURS,
GERMAN SUMMER TIME. IF SCHLEGEL'S POSITION IS UNTENABLE
IN OUR OPINION WE WOULD ADVISE HIM TO WITHDRAW FROM THE
WEST. HOLD OUT FOR AS LONG AS POSSIBLE. BEST WISHES
FROM CHEF AND KNOTT. 188 STEIN 566.

CEL to Germany - March 8, 1942
FOR NEST IN COLOGNE. AFTER LOOKING FOR A HOUSE ON THE
RAIL ROAD SIDING FOR THREE TIMES WE ARE TRYING AGAIN TO
LODGE CAROLA ELSEWHERE. SALAMA. HUMBERTO.

LIR to Germany - February 14, 1942
N.E. OFFICE, COLOGNE. CAROLA IS AGAIN IN DANGER, DESPITE
CHANGE OF CLIMATE. UNDERTAKING ANOTHER CHANGE IS
IMPOSSIBLE IN THE NEXT THREE WEEKS. SALAMA. STOP.
FROM VESTA FOR STEIN. WE HAVE BEEN CALLING SINCE DAY
BEFORE YESTERDAY IN VAIN. PLEASE PAY CAREFUL ATTENTION.

LIR to Germany - February 19, 1942
LISTEN FOR CAROLA DAILY STARTING MARCH FIRST, HOURLY
FROM 24 O'CLOCK DSZ (German Summer Time) ON 1800 AND
11,200 KILOCYCLES. HERE IS CALL ZEP. IF YOU RECEIVE
THEM ANSWER ON SAME FREQUENCY USING KLN.

Germany to KEMPTER - February 20, 1942
PLEASE TAKE NOTHING MORE FROM CAROLA AND LANSBURG BUT
DIVERT TO VESTA'S RADIO STATION. (Carola was SCHLEGEL'S
station and he sent to LANSBURG in Cologne).

SCHLEGEL advised that he knows nothing whatever about any
of these messages. He did state that his cover name was Salama;
that his radio transmitter was referred to as Carola; that THIELEN
had the cover name Torres, and that KNOTT was Captain KRAMER-KNOTT
in Krefeld and Cologne, above described. He also stated that Lansburg
was merely the name of a town which adjoins Krefeld.

It is pointed out that SCHLEGEL has already been condemned to serve fourteen years in prison by the Brazilian Tribunal De Seguranca and although he is apparently anxious to clear up any questions which may arise about the messages, the fact of the matter is that SCHLEGEL has no interest whatever in being of assistance to anyone.

SCHLEGEL advised that at KRAMER-KNOTT'S suggestion he stopped using the Rudolf Mosse business code and began to use a code based on the German book "Three Men on a Bummel." SCHLEGEL advised that this book was used for almost all the coding of messages sent over his station. The method of using this code is set forth in Section X under Codes.

THEODOR SCHLEGEL was born on June 5, 1892 in Berlin. He is described as follows:

Height	5' 7"
Weight	80 kilos
Build	Stocky
Hair	Bald, very thin fringe of gray hair
Complexion	Fair
Features	Regular
Eyes	Blue
Profession	Business man, Director Acos Marathon
Education	Gymnasium in Berlin
Relatives	Father, THEODOR SCHLEGEL Mother, CHARLOTTE SCHLEGEL
Nationality	German

SCHLEGEL advised that his father and mother were cousins. He is unmarried and has one sister and one nephew. The name of these relatives is SCHROETER. FRAU SCHROETER and her son reside in Berlin.

In the last war SCHLEGEL volunteered in 1914 and left the German Army in 1918 with the rank of a lieutenant.

Handwriting specimens of SCHLEGEL were transmitted on March 18, 1943.

CARLOS STOREY

CARLOS STOREY was a porter at the Hotel Gloria in Rio de Janeiro. His only known connection with the CEL Substation (SCHLEGEL) was that he was known to have visited the farm on which the transmitter was stored.

It has been alleged that STOREY is pro Axis in his sympathies. He was discharged from his position at the Hotel Gloria. He was tried as an agent in the CEL (SCHLEGEL) Substation group before the Tribunal De Seguranca but was acquitted for lack of evidence.

KARL THIKLEN, alias TORRES

KARL THIKLEN was an attorney in fact (procurador) for the firm Acos Marathon Ltda. in Rio de Janeiro and was SCHLEGEL'S principal assistant both in the operation of Acos Marathon and of CKL Sub station (SCHLEGEL). It was in THIKLEN'S home that SCHLEGEL'S radio station was installed by BENNO SOBISCH. The station was in the home of TORRES from June until about December 18, 1941 when it was removed by TRAUTMANN and UTZINGER.

THIKLEN advised that he began to work in the espionage organization with SCHLEGEL sometime in May of 1941 at the invitation of SCHLEGEL. He advised that he agreed with SCHLEGEL that his home would be a good place in which to install the station, and this was done, this station being completed and put in operation sometime in July of 1941. This station was in his home until perhaps the middle of December when it was taken out and carried to the farm of DELLINGHAUSEN at Corrego do Freijao. THIKLEN advised that he and GUSTAV UTZINGER with the assistance of TRAUTMANN, removed the set. THIKLEN advised that to the best of his recollection the only people who had any contact with the station or with the service were SCHLEGEL, THIKLEN, TRAUTMANN, BACKHAUS and UTZINGER.

THIKLEN advised that the station sent somewhere between seventy and eighty messages to Germany and received "several messages" from Germany. He advised that the bulk of the information which was sent over the station was of an economic nature. He stated that he did some of the coding but that the bulk of the coding and all of the transmitting was done by ROLF TRAUTMANN.

THIKLEN advised that he did not receive any money for his work in connection with the service other than a payment of 900 milreis (\$45) per month, which was approximately half of the rent for the house in which THIKLEN lived. THIKLEN advised that this sum was paid to him because the house in which he lived while keeping the transmitter was a larger house and more expensive than the house in which he normally would have lived had he not had the transmitter to look after.

THIKLEN advised that the source for most of the information which the station sent to Germany was magazines. He advised that he used the magazines Time, Life, Readers' Digest, and an occasional technical magazine, all from the United States. In June of 1941 he subscribed for a period of one year to the New York Daily Mirror.

THIELEN advised that anything particularly interesting or urgent about the United States was sent to Germany by wire, otherwise the information was clipped and sent by Lati Air Mail to KRAEMER-KNOTT in Germany. THIELEN advised that the station received relatively little information from ERWIN BACKHAUS.

THIELEN confirmed that the codes used by the station were the Rudolf Mosse business code, but that in the use of this code the ciphers and not the alphabet were used. Later, the station used the code book "Three Men on a Bummel," which book was brought to Brazil by SCHLEGEL from Germany upon his return in August of 1941.

The only ink used by THIELEN was the alcohol lemon juice ink. THIELEN advised that the way he used the ink was to take a spoonful of alcohol and about ten drops of lemon juice. He advised that the ink could be used with either a pen or a tooth pick. Usually, however, a pen was used. Any sort of paper was usable and the message was developed with the insecticide "Flit." THIELEN advised that as he recalled, when the message was developed it was bluish in color.

THIELEN advised that he was born on February 25, 1910, at Mettmann Rhenania, Germany. His mother was MARGARETA WICKUM and his father was FRIEDRICH THIELEN. Both parents are deceased. THIELEN advised that he has five brothers and one sister, all of whom are in Germany, living in or near Mettmann. The brothers are HEINRICH, age 45, GERHARDT, age 43, FRIEDRICH, age 40, WILHELM, age 38, and ARNOLD, age 37. His only sister is MARGARETA, age 42, unmarried.

THIELEN advised that he was educated at the Oberreale School in Mettmann and attended Frankfurt University for two years. In December of 1932 he came to Brazil and after sometime here he found work with the Stahlunion. He later transferred to the Acos Marathon. At the time of his arrest his salary with Acos Marathon was three contos per month.

On February 6, 1937 THIELEN married MAGARIDA MAGALENA RITTMAYER, a Brazilian. THIELEN has one daughter, MAILA KAREN, Brazilian, three and one-half years of age. THIELEN is described as follows:

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Age	33
Height	6'
Weight	80 kilos
Build	Medium
Hair	Dark blond, wavy, parted on the right
Eyes	Blue
Complexion	Fair
Scars	Has small circular scar about 1" on the left cheekbone
Features	Regular, slightly cleft chin
Nationality	German
Profession	Business man
Languages	Portuguese and German

ROLF TRAUTMANN

ROLF TRAUTMANN was the radio operator for the radio station CKL Substation (SCHLEGEL). He advised that in the course of the operation of the station he sent some 78 messages to Germany and received 25 messages from Germany. He advised that the technical equipment used in the station was installed by BENNO SOBISCH, in the home of KARL THIELEN. TRAUTMANN advised that he came to Sao Paulo in 1939 to work for the Acos Marathon as a steel tempering technician and a commercial employee.

In May of 1941, SCHLEGEL, upon hearing that TRAUTMANN was a radio operator, brought him to Rio and told him it was his duty as a German to assist SCHLEGEL in the transmission of radio messages to Germany. TRAUTMANN advised that he worked in the Acos Marathon office by day and in the radio station at night, usually broadcasting between six and seven P.M. TRAUTMANN advised that he received no remuneration in addition to his salary from the Acos Marathon, which salary was one conto 900 (\$95) per month.

There is information in the file to the effect that TRAUTMANN learned radio telegraphy in the German Army. TRAUTMANN advised that this is untrue, that he has never been in the German Army, and that he learned radio telegraphy with several other members of a glider club, in Krefeld, Germany. TRAUTMANN advised that he went to work for the Deutsche Edelstahl Werke in Krefeld in 1935.

TRAUTMANN advised that he knows nothing whatever about secret ink and that he does not even know the details of the alcohol lemon juice ink which was used in connection with the station.

TRAUTMANN advised that when the station was taken from THIELEN'S home to DELLINGHAUSEN'S farm, he helped in the removal and also made unsuccessful efforts to contact Germany from the farm. It is mentioned in this connection that the contact with Germany was never established from the farm because of the large iron ore deposits in the hills near the farm.

TRAUTMANN advised that he did the great majority of the coding of the messages sent over SCHLEGEL'S station. He advised that originally the code used was the Rudolf Mosse business code but that later SCHLEGEL brought the book "Three Men on a Bummel" with him on his return from Germany and that this book was used to obtain the key for a new code. TRAUTMANN gave the details about this code, which are set out in Section X under Codes.

TRAUTMANN advised that Germany frequently exhibited interest in technical work done on substitutes for steel. TRAUTMANN had the idea that Germany was extremely interested in finding a substitute for steel because of an expected shortage of that material in Germany.

TRAUTMANN advised that he was born on February 5, 1913 at Elberfeld Rhenania. His father was OSCAR TRAUTMANN and his mother was JOANNA MAYAN. He has one sister, age 20, who lives with her mother in Elberfeld.

TRAUTMANN advised that he finished the Gymnasium at Elberfeld at the age of eighteen and in 1935 he went to work for Acos Marathon as a technician in steel tempering and as an office worker. He was sent by this firm to Sao Paulo, Brazil in February of 1939. TRAUTMANN is described as follows:

Age	30
Height	5' 9"
Weight	80 kilos
Build	Stocky
Hair	Medium brown, straight, parted on left
Eyes	Blue
Complexion	Dark
Features	Regular, low forehead, nose prominent
Marital status	Single
Peculiarities	One lower tooth in the center has a gold crown
Profession	Steel technician
Languages	German and Portuguese
Nationality	German

GUSTAV EDWARD UTZINGER

GUSTAV EDWARD UTZINGER, alias Utz, was a radio technician who assisted BENNO SOBISCH in installing the transmitter used by SCHLEGEL at the farm west of Belo Horizonte. UTZINGER was a minor employee of the Siemens Company in Rio de Janeiro. He fled the country at the time of the arrest of other CKL agents, and he has been reported in Paraguay and Buenos Aires. He was sentenced in absentia to eight years in a Brazilian prison.

It is believed that on at least two occasions UTZINGER had messages transmitted to Germany. One of these is an LIR message of February 17, 1942:

FOR LANSBERG. TODAY, THE 16TH, BENNO SOBISCH DIED OF HEART FAILURE IN THE MIDDLE OF THE FULFILLMENT OF SOLDIERLY DUTY. THE WIFE AND DAUGHTER OF OUR COMRADE WILL BE CARED FOR. THE WORK GOES FORWARD. UTZ.

CKL to Germany - March 15, 1942:

FROM UTZ TO HAMBURG - SOUTH AMERICAN LINE, HAMBURG. CONCERNS OFFICERS WILH (ELM) REUTER, POPPINGAY, KROEGER, OF (GERMAN) SS MACKIO. THEY WERE UNTIL RUPTURE DIPLOMATIC RELATIONS, SUBORDINATE TO NAVAL ATTACHE HERE. THEY HAVE REMOVED WITHOUT FURTHER INSTRUCTIONS. MUST EXPECT INTERNMENT. FINANCIAL PROVISIONS UNCERTAIN. ASK WHETHER DESIRED THEY GO TO ARGENTINA FOR EMPLOYMENT, AND WHAT PROVISION PLANNED, OR WHETHER THEY ARE TO STAY HERE. PLEASE INFORM NAVAL HIGH COMMAND. HUMBERTO.

Just what UTZINGER'S duties consisted of other than to assist BENNO SOBISCH in his radio work is not known. It is believed that he is in Buenos Aires at present. A person named UTZINGER is known to remove mail from Box 1081, Buenos Aires. This is the mail of the Siemens Company in Buenos Aires. Information is to the effect that he may be in jail there at the present time.

It will be noted that SCHLEGEL has advised that so far as he is concerned, UTZINGER had complete responsibility for everything which occurred to the station after December 18, 1941. This statement by SCHLEGEL does not appear to be entirely true.

CLAUS VON DELLINGHAUSEN

CLAUS VON DELLINGHAUSEN, with aliases: Count Claus Von Dellinghausen, Nicolau Edward Von Dellinghausen, was a director of the firm Cia. de Mineração de Ferro e Carvão S/A, Rua Telofilo Ottoni 96, Rio de Janeiro. DELLINGHAUSEN made an agreement with SCHLEGEL to allow SCHLEGEL to install the radio transmitter on a farm of DELLINGHAUSEN'S company, known as the Corrego de Feijão, situated near the Melo Franco Station, 80 miles west of Belo Horizonte on the Central Railroad of Brazil.

According to SCHLEGEL, THIELEN and TRAUTMANN, this was the extent of VON DELLINGHAUSEN'S contact with the CKL (SCHLEGEL) Substation espionage group.

VON DELLINGHAUSEN was tried before the Rio Tribunal De Seguranca and was sentenced to eight years in the penitentiary in January of 1943.

RADIO CEL;
ALBRECHT GUSTAV ENGELS, WAS; ETAL.

IV. CEL PERSONNEL

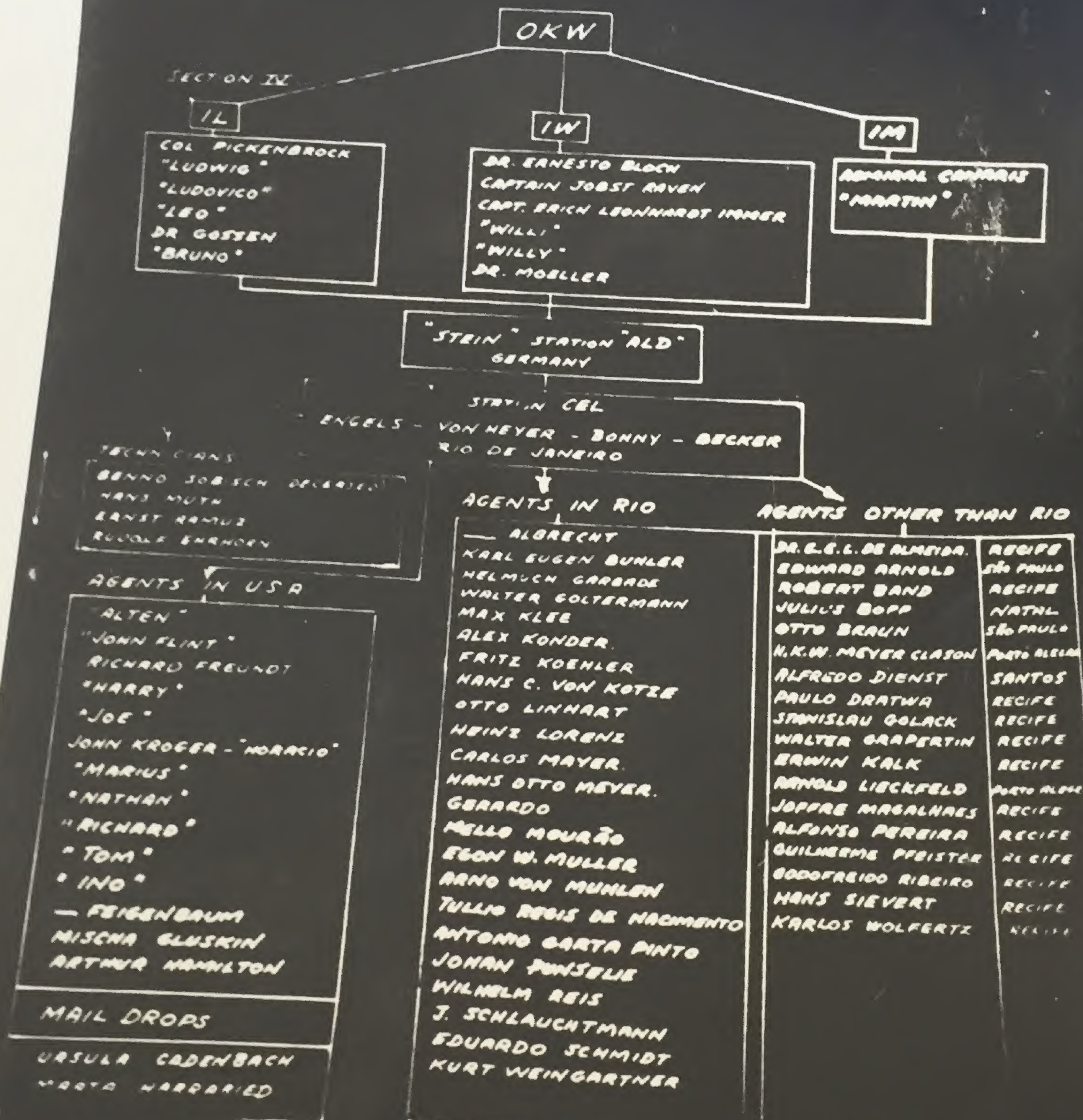
The present section deals with the personnel in the CEL case. The arrangement of the subjects is alphabetical. In many instances the information concerning a minor subject may appear to be disappointingly brief. The subjects who are in Germany are included in alphabetical order along with the subjects here in Brazil and the fictitious names of the agents in the United States.

The chart which appears on the next page was made up with an eye to grouping the subjects geographically. It is not presented in order to support any conclusion or to form the basis for an official chart, but merely as a visual aid. In several instances factual support has not been found for the inclusion of some of the individuals as subjects.

ENGELS and VON HEYER, as well as six of the alleged agents were interviewed. Handwriting specimens, previously submitted to the Bureau, were taken from them. The agents interviewed in addition to ENGELS and VON HEYER were WILHELM REIS, WALTER COLTERMANN, HANS MUTH, ERNST RAMUZ, RUDOLF KHRHORN, and HEINZ LORENZ. The balance of the information set forth in this section came from a review of the files and a check with the police department in Rio.

The order in which the discussion of individual subjects is arranged, where possible, is as follows: A short statement of the subject's relation to the case, the subject's background, his recruitment, his contacts, and his personal description.

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Upon the return of ALBRECHT GUSTAV ENGELS from Germany late in September or early in October of 1949, the CKL espionage ring began to operate. ENGELS was the executive of the organization. He began, according to his story, as a mere Wirtschaft Beobachter, or economic observer, and later expanded into the chief of a group which had, at least apparently, a very extensive espionage organization. The CKL organization received information from several agents in the United States, whose identities are claimed to be unknown to the subjects interviewed. In the course of interviews the following names have been identified by CKL subjects, either ENGELS or VON HEYER, as having been the names which appeared signed to letters which they, ENGELS or VON HEYER, received from the United States: NATHAN, JOHN FLINT, DICK, RICHARD, RICHARD FREUNDT, FRED, JOE, TOM, HARRY, JOHN KROBYER, HORACIO, MARIUS, ALER, INO, and MARTHA HARRARIO.

In addition, three names, ARTHUR HAMILTON, FRICKENBAUM and MISCHA GLUSKIN, had some connection with the CKL organization from the United States. The details of their contact appears under their individual names.

Positive information about the manner in which these agents in the United States were recruited, instructed and financed has not been developed.

CKL had several agents in Recife. The number of names of individuals set out as CKL agents in the Recife area is eleven. However, VON HEYER, who recruited and had charge of the people in the so called "hump," advised that really his only agents in the area were HANS WIEVART and CARLOS WOLFFERTZ. Of these two, WOLFFERTZ at no time did any work for VON HEYER.

An apparently parallel organization existed in the "hump" of Brazil, according to information received from ENGELS. This organization was that developed by HERMAN BOHNY among the personnel of the German consulate service.

The radio equipment and the mail drops are discussed under Section I. It is sufficient here to say that the organization used a 100 watt transmitter built by BENNO SOBISCH for their radio equipment and had a large number of mail drops. In addition to SOBISCH, HANS MUTH, ERNST RAMUZ and RUDOLF KIRCHHOFF handled the transmitter, as did CARLOS MAYER and KURT WEINGARTNER.

Liberal use was made of magazines from the United States, some of the favorite magazines being Time, Life, Wall Street Journal, and the Pacific Shipper.

ENGELS also used a micro photograph message system in communicating with Germany. He has denied that this is the real "punkt" system which was employed by Germany in communicating with him and with other agents. Details about this apparatus are set out under Section I, Mechanical Aids. The CKL group had contact through ENGELS with the other stations in South America. The details as to this contact are set out in Section VII of this report. The relation of CKL to diplomatic representatives is discussed in Section V, and their relation to other Brazilian stations is discussed in Section VI.

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ALBRECHT, alias ARGUS

The complete name of this subject is not known, nor are his aliases.

EDWARD ARNOLD, another CEL subject, advised that he met HERR ALBRECHT in October, 1940 in Berlin.. ALBRECHT advised him that he intended to go to Brazil sometime later. Upon ARNOLD'S return to Brazil, he met ENGELS, who asked him if he had seen ALBRECHT in Brazil. Sometime later ALBRECHT came to Brazil and ARNOLD introduced him to ENGELS.

In July, 1941 ALBRECHT asked ARNOLD to send a cable to RABEN in Germany with a signature ARGUS. The cable requested advice if ALBRECHT'S letters, bearing unremembered dates, had been received. ARGUS was the signature between ALBRECHT in Brazil, and RAVEN and DMLER in Germany.

ENGELS has advised that ALBRECHT came to Rio de Janeiro from Germany early in 1940. He brought ENGELS a letter from Raven. The letter commented on the economic information which ENGELS had been submitting and renewed a request for a radio station. The letter was sealed when ALBRECHT delivered it to ENGELS. ENGELS advised that he met ALBRECHT through EDWARD ARNOLD. ENGELS denied that he asked ARNOLD anything about ALBRECHT.

ENGELS advised that ALBRECHT knew RAVEN but he was unable to form any impression as to whether ALBRECHT worked for RAVEN or for the Wirtschaft section of the German High Command.

DR. LUIZ EUGENIO LACERDO DE ALMEIDA

A review of the files reflects that information was received from the Recife Police advising that Dr. LUIZ EUGENIO LACERDO DE ALMEIDA assisted HANS HEINRICH SIEVERT in collecting shipping information for HERBERT VON HEYER in Recife. It appears that ALMEIDA was an employee of the German firm Hermann Stolz and Company and that he worked for HANS SIEVERT, who was a CKL agent. ALMEIDA admitted to the Recife Police that he went to the airport at Natal, Brazil and spent some time there under the pretext of selling machinery. He made drawings of the airport and gave them to SIEVERT for delivery to VON HEYER. ENGELS and VON HEYER have denied knowing ALMEIDA personally.

ALTEN is the cover name for one of the agents in the United States. ALBRECHT ENGELS advised that he received letters from the United States containing secret ink which set forth information of an espionage nature, which letters were signed "ALTEN." ENGELS denied knowing the identity or anything about this individual.

ALTEN was the subject matter of two cables, one from CKL to Germany. One was the message of October 14, 1941 from CKL to Germany advising that "Forerunner" (courier) ALTEN took off today by Lati. The other was a message advising that in the opinion of ALTEN the United States was going to prohibit the sending of magazines out of the United States. ENGELS and VON HEYER both denied any knowledge as to the identity of this individual.

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EDWARD ARNOLD, alias Eduardo Arnold

ARNOLD was told by HERBERT VON MEYER to go and see JOSEF RAVEN in Berlin in the summer of 1939. ARNOLD called on RAVEN and was recruited to send reports on shipping. He subsequently returned to Brazil and met ERICH LEONHARDT ILLER, MEYER'S associate. He worked as an Agent for ILLER before and after the latter returned to Germany. ARNOLD sent telegrams to Germany for ILLER under the signature "Argus". ARNOLD introduced ALFRED to ILLER. ARNOLD was a business partner of ILLER GLASCO. He had no contact with the United States and seems to have furnished very little information.

JOHANNES STEGFRIED BECKER, with aliases, Siegfried Becker, Alfredo Becker, Fritz Noering, Clon.

For a long time there existed considerable doubt as to whether in fact there was any such person as Alfredo Becker. So many conflicting reports about him had been received that the impression grew that the name was merely one to be used by any number of the CEL subjects. However, ALBERT ENGELS finally advised that there was, in fact, one JOHANNES STEGFRIED BECKER, a major in the German Army attached to the Intelligence Section of the Oberkommando Wehrmacht. The story, as told by ENGELS, is that BECKER came to Brazil from Germany in the fall of 1940. He organized an espionage service, procured a radio transmitter station from BENNO SOBISCH and HANS MUTH, and recruited ENGELS to operate and manage the station for him. BECKER came to Brazil under the cover of a businessman, although details of this cover are not known.

ENGELS advised that in the fall of 1940, he was contacted at the A.E.G. offices by an individual who introduced himself as Fritz Noering. This individual advised ENGELS that he had received greetings from SCHERNIK, a friend of ENGELS in Berlin. After the conversation had progressed for a short time, BECKER advised ENGELS that his real name was BECKER and that his mission was that of expanding and improving the German espionage service in Brazil, and of improving the system of communication existing in the espionage service between Brazil and Germany. BECKER worked with ENGELS only casually until the spring of 1941, at which time he supplied ENGELS with a photographic machine, with which machine ENGELS was able to make microphotos to be sent to Germany. BECKER also gave ENGELS a supply of Moritz ink for the purpose of writing secret messages, and gave him instructions on the manner in which to use this ink.

ENGELS advised that BECKER was, in his opinion, the only real professional espionage agent with whom the CEL group had any contact. He also advised that BECKER was in close contact with LUTHERAN BOPPY, Assistant German Naval Attache, and extremely active in the operation of the Radio CEL espionage service. ENGELS advised that BECKER had full information about the German espionage organization throughout Brazil, and also had contacts in Panama, Peru, and Ecuador.

In this connection, ENGELS was advised by BECKER that the Western Hemisphere was divided by the German espionage service for administrative purposes into the United States, Central America, and South America. ENGELS also advised that Venezuela and Colombia were in the Central America rather than South America jurisdiction.

ENGELS advised that BENNO SOBISCH, deceased, the radio technician for most of the clandestine radio groups in Brazil, was approached by BECKER to build a station for BECKER. This SOBISCH did through HANS MUTH, another radio technician.

ENGELS advised that the only document of BECKER'S he had ever seen was a Spanish passport.

With regard to the espionage organization which BECKER is alleged to have organized in Brazil, nothing is known in detail. The individual named BIESEL from Ecuador is known to have been BECKER'S agent in that country. However, the organization in Brazil seems to have drifted, after the departure of BECKER, from the hands of BECKER into the BOHRY group of agents.

ENGELS further advised that BECKER transformed the espionage service here from a mere economic observer service into a real espionage service after which he, BECKER, returned to Germany late in September or early in October of 1941. ENGELS advised that he, at no time, received any money from BECKER;

As stated above, BENNO SOBISCH, who also had contact with BECKER, is deceased. However, HANS MUTH, the only other subject interviewed who was acquainted with BECKER, advised that he remembered BECKER. MUTH advised that as he recalls in the fall of 1940 or the spring of 1941 an individual named "CLON" persuaded him, through SOBISCH, to build a 40-watt transmitter. Where this 40-watt transmitter finally ended is not known. However, MUTH is of the impression that the transmitter was taken by CLON to São Paulo: MUTH advised that CLON was carrying an Argentine passport. MUTH was in the German Embassy in the fall, late in September or early in October of 1941, when he again saw this individual whom he knew as CLON. MUTH greeted him and the man then told him his name was not CLON but, in fact, that it was BECKER and that he was returning to Germany on the next Lati plane.

ENGELS advised that BECKER returned to Germany late in September or early in October of 1941 on the Lati plane, traveling on a German Diplomatic passport. The description given by MUTH and ENGELS of BECKER corresponds in approximately all details. This description is as follows:

Age	-	Early 30's
Height	-	5' 10"
Weight	-	170
Build	-	Athletic
Hair	-	Blond, slightly wavy
Eyes	-	Not recalled
Complexion	-	Tanned
Scars or Marks	-	None
Marital Status	-	Single
Profession	-	Soldier - General Staff type
Languages	-	English, Spanish, French, German.
Residences in Rio de Janeiro	-	Copacabana Palace Hotel and Riviera Hotel, Copacabana.

HANS MUTH advised that BECKER had extraordinary fingernails in that the curve of the nails was very pronounced.

A check with the Rio de Janeiro Police reflected that JOHANNES SIEGFRIED BECKER, a German, 29 years of age, a bachelor, listed as

a businessman, was the bearer of German Passport No. 2308/39, and that on this passport he made certain trips between São Paulo and Rio de Janeiro; that he left Rio de Janeiro on December 31, 1940, enroute to São Paulo and returned to Rio de Janeiro on January 11, 1941. He left Rio de Janeiro on February 22, 1941, and returned from São Paulo on February 27, 1941. The only other information obtained from the police department concerning BECKER was that he left with German Diplomatic Passport No. 707/41D, issued September 10, 1941, at Rio de Janeiro, on Lati airplane S.M. 83-1-ATOS on October 21, 1941, for Rome, Italy.

With regard to the name Alfredo Becker, ENGELS advised he knew BECKER as Alfredo, and that BECKER sent many messages over radio station CEL signed "Alfredo".

Reference is made to the report of Special Agent GEORGE A. BIGHAM, New York City, dated March 31, 1942, in the case entitled "RICHARD FRIEDBERG, PRENDT, with aliases, Et Al, Espionage-G". This report sets out a statement obtained from RICHARD PRENDT, in which PRENDT advised that he received a letter from a Doctor KOELLER postmarked at Lima, Peru, early in 1941, probably in February. In this connection, it is pointed out that, according to information furnished by ALBERT ENGELS, BECKER was in Peru about that time in 1941. PRENDT stated he had received instructions from Doctor KOELLER advising him he could use the mailbox No. 590 in Rio de Janeiro under the name of ALVARO REIS. This was an ENGELS box and was, in all probability, used by BECKER. The description given by PRENDT of Doctor KOELLER differs from the description of BECKER as given by ENGELS and HARRY WUHL, principally with respect to age, it being noted that PRENDT described Doctor KOELLER as being about 50 years of age, while ENGELS put BECKER'S age as being in the thirties.

BIEBEL, alias "Eduardo"

According to information received from ENGELS, one BIEBEL, alias "Eduardo", was the German espionage agent in charge of operations in Ecuador. ENGELS advised that he had contact with this individual on one occasion in Buenos Aires. ENGELS advised that this contact took place about the 26th or 27th of August, 1941, in the Plaza Hotel in Buenos Aires under the following circumstances:

BECKER, upon learning that ENGELS was going to Buenos Aires on business for the A.E.G., requested ENGELS to make a contact for him with an espionage subject in Buenos Aires from Ecuador. ENGELS advised that BECKER gave him a code to be delivered to BIEBEL. BECKER advised ENGELS that he would find BIEBEL in the bar at the Plaza Hotel between five and six o'clock on a particular evening (which evening ENGELS does not recall) and that BIEBEL would be reading a copy of Life magazine.

ENGELS advised that he made the contact as requested and that upon entering the bar at the Plaza Hotel, seated in one corner was an individual reading a copy of Life magazine. ENGELS merely said "Buenos tardes" to this individual who replied "Buenos tardes, Alfredo". Upon this meeting, ENGELS sat at BIEBEL's table and the two conversed over a couple of drinks. ENGELS gave BIEBEL instructions on the method of using the code which BECKER had given him. ENGELS advised that this code was the same code which he, ENGELS, had used in the early days of the operation of Radio Station CEL. This code is set out in Section No. 10 of this report.

ENGELS advised that this was the extent of his contact with BIEBEL, that they did not spend more than 30 minutes or an hour together, and that the only reason he knew BIEBEL was from Ecuador was that BECKER had told him so. ENGELS gave the following description of BIEBEL. BIEBEL advised that BIEBEL was short and fairly stocky, about 35 years of age, and dark. He stated he could not recognize BIEBEL again if he saw him on the street, but that he does remember BIEBEL was a typical young businessman of the Latin type. He spoke German, but with a slight Spanish accent. ENGELS advised that he had the impression that BIEBEL was a German who had been born in Latin America, and that one of his parents was probably Latin. ENGELS advised that he does not know the real name of BIEBEL, but that he has referred to him as BIEBEL in a radio message sent to the Department after his meeting, which set forth that "BIEBEL, covered by aliases, was code, confirmation received, keyword Nordic organization". ENGELS advised he knew nothing about the contacts between BIEBEL and the A.E.G., and that the message concerning BIEBEL that covered a series of letters was sent to the A.E.G. through the Department.

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HERMANN BOHNY, alias BEH, alias "B"

HERMANN BOHNY was the German Naval Attache at Rio de Janeiro and was extremely active in the operation of Radio Station CEL. He made free use of the CEL Station and after the breach of diplomatic relations between Brazil and the Axis the Germans sent their dispatches over the CEL facilities. BOHNY was also active in Brazil in the CEL espionage organization. He was a personal friend of ENGELS. BOHNY was the source of much of the money which was handled by ENGELS for the CEL group. BOHNY delivered or caused to be delivered to ENGELS some \$72,500. A large portion of this, plus 60,000 Argentine pesos, were returned to BOHNY through GUSTOV GLOCK by ENGELS on the night of March 17, 1942, the night before the arrest of ENGELS.

BOHNY made the cable facilities of the German Embassy available to the agents of CEL through ENGELS. He also made contact with diplomatic officials in the Embassy. He was the liaison man between the espionage organization and the German diplomatic group.

BOHNY and ENGELS arranged the recall of ERICH LEONHARDT IMMER to Germany in order that BOHNY and ENGELS could have complete charge of the CEL organization in Brazil. ENGELS advised that HERMANN BOHNY had been acquainted with him since about 1938 from contact which ENGELS had had with BOHNY in the Goebra Company in Rio de Janeiro. When BOHNY returned from Europe as Naval Attache about the beginning of 1940, ENGELS saw him two or three times in a social way.

In April of 1941 when STARZICZNY arrived, BOHNY telephoned ENGELS at the A.E.G. office and asked him to come to the Embassy. From the time of this contact ENGELS worked in close collaboration with BOHNY and with BECKER. ENGELS said that BOHNY had a large informational service of his own, which service was responsible for much of the information sent to Germany over Station CEL. ENGELS denied any knowledge of the personnel of this organization but stated that it was his opinion that the agents were recruited in the German Consulates in Brazil. BOHNY also had contact with Radio CIG, with the Uebeles, and with JOSEPH STARZICZNY.

ENGELS advised that he had many contacts with BOHNY in the Embassy, in the office of EUGEN BUHLER, in BOHNY'S home, and in the office of A.E.G., and on the street.. ENGELS advised that the meetings were always held pursuant to telephone calls. Moreover, ENGELS advised that couriers were used by the CEL organization that were invariably BOHNY'S couriers. BOHNY returned to Germany with diplomatic officials in May of 1942.

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ROBERT BOND

The only information reflected in the file concerning ROBERT BOND is that he was believed to be an associate of ERWIN KALK. KALK in turn was believed to have handled funds for the CRL agents in Recife and Natal. BOND was in possession of papers belonging to KALK at the time of his arrest. The nature of the papers and further details concerning BOND are not available. ENGELS and VON MEYER as well as the other subjects interviewed denied any knowledge of or acquaintance with either BOND or KALK.

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JULIO BOPP, alias BOB

JULIO BOPP worked with ALFONSO PEREIRA as a CML agent at Natal. He was arrested because of the CML message to Germany which is as follows: "PEREIRA transferred to Natal as chief confidential agent on my responsibility. Works in cooperation with BOB." BOPP was a Condor aviation mechanic in Natal and at one time was an employee of the Pan American Airways Company at Natal. It is thought that BOPP sent reports to ENGELS on the air bases at Natal and he admitted this to the Recife Police, however, later BOPP denied that he ever sent any information to the CML group.

ENGELS advised that he is not acquainted with either BOPP or ALFONSO PEREIRA. He stated that he has only the vaguest recollection of these individuals and that he is of the impression that BOPP and PEREIRA were agents working for HERMANN BOHNY.

BRAUN

On March 12, 1942, ENGELS sent the following message to Germany, "Your 9. Connection with Braun possible. Regarding this, let me know whether my letter 126 received. Alfredo."

ENGELS insisted that this BRAUN, or any BRAUN, is quite unknown to him. He claimed to know absolutely nothing about the message and stated that perhaps it was a BOHNY message.

Further efforts will be made to identify this individual.

"DICK"

ALBRECHT ENGELS, principal CEL subject, has advised that he received letters from the United States signed "DICK." These letters contained secret ink messages treating of espionage subjects. ENGELS advised that he is unable to recall any of the details about these letters and denied that he had any information whatever about the identity of "DICK."

There is some thought that "DICK," RICHARD and RICHARD FREUNDT are all the same individual. VON HEYER denied that he was familiar with the name "DICK."

ALFREDO DIENST

ALFREDO DIENST advised that he had made a trip to the United States in March of 1941. On this trip he carried a letter, or letters, from ALBRECHT ENGELS to an unidentified woman at the American Friendship Association in New York City. DIENST at the present time is being reinterviewed at the police department in Sao Paulo. However, it has been learned from the Bureau that the organization "American Friendship Association" has not been identified.

With regard to a suitcase which DIENST carried to BARON VON KOHORN, it is to be noted that DIENST carried this package for HERBERT WARSCHAUER. WARSCHAUER'S connection with any espionage organization is not known.

EHRHORN denied that he ever received any money from VON HEYER except that it was VON HEYER'S practice to give him a little bit more than his taxi fare when he asked EHRHORN to deliver a message for him.

EHRHORN denied any knowledge of the code used by the ENGELS group or of the use of secret ink. EHRHORN advised that during the time he was at Pensao Hamburgo he made no friends and his contact with the people living at the Pensao Hamburgo was extremely slight.

EHRHORN denied any knowledge whatever about any of the workings of the CEL espionage organization other than that set forth above. EHRHORN is described as follows:

Age	29, born April 29, 1913, in Dahlenburg Hanover, Germany
Nationality	German
Relatives	Father, RUDOLF EHRHORN Mother, MARIE LUHR Brother, WILHELM, 21 years of age, who was killed in action with German Army in France
Height	6'
Weight	165 lbs.
Build	Slender, but muscular
Hair	Very blond, receding, parted on left
Features	Regular, large hands and wrists, head round, nose short, broad at base but straight
Eyes	Very light blue
Teeth	Fairly bad
Languages	German, Portuguese
Organizations	- He denied that he is a member of the Nazi Party and claims to know nothing whatever of politics.
Occupation	Seaman, pilot, lacks one examination for a master's certificate; was first officer of the Bollwerke but usually sailed as third mate
Marital status	- Was married by proxy on Aug. 21, 1941 to GRETE ANDRAES, Hamburg.
Employer during normal times	- The Laeisz Company, owners of the so-called "P" Lines.

ALBRECHT GUSTAV ENGELS, with aliases: Alfredo Alvaro Reis, Walter Goldermann, Coltsmann, Goldmann, R. W. Brinkmann, Joao Castro Da Silva, Joao Coelho, Josea Nunes, Josea Alves, Uncle, Papa ~~Alfredo~~, Karl Albrecht Engels.

The majority of ENGELS' aliases come from his use of mail boxes. That is, these names were used as cover addresses, principally at Box 590 in Rio de Janeiro. The names UNCLE and PAPA ALFREDO were signed by ENGELS to radio messages. The name ALFREDO was the name which ENGELS usually used to sign radio messages.

With regard to the name KARL ALBRECHT ENGELS, it is known that one KARL ALBRECHT ENGELS was in California enroute to Mexico, Guatemala and South America in December of 1939. It was thought for sometime that this ENGELS was identical with ALBRECHT GUSTAV ENGELS, however, ENGELS has emphatically denied that he was ever in the United States.

ALBRECHT GUSTAV ENGELS, as has been stated, was the principal subject in the CKL case. He was arrested on March 18, 1942. He has now been in jail for a little more than a year. He is expecting from day to day to receive a very severe sentence. He has had ample opportunity to prepare any story and to maintain that story consistently with all the ramifications of the operation of the CKL Station. He was interviewed over a period of sixteen days. He was shown almost all of the CKL intercepted messages and he was interrogated in detail about all of the unexplained messages. He was interrogated about the agents in the United States. He was exhausted on the subject of codes, financial transactions, his relations with the diplomats, his relation with the other South American stations, his relation with the Brazilian stations, his mail drops, and his contact with the Germans in Germany.

In some respects the interrogation of ENGELS was not particularly successful. At no time did ENGELS exhibit any willingness to furnish information and the information that was obtained was gotten through continuous questioning. ENGELS is thoroughly intelligent, very patriotic, and an experienced business executive with many years in responsible positions. However, ENGELS did give a fairly complete picture of his activities and of the activities of some of his agents.

ENGELS advised that he was recruited to work as an espionage agent by JOBST RAVEN under the following circumstances.

ENGELS, as a Director of the Allgemeine Elektrizitaets Gesellschaft, made a trip every four years to Germany on vacation and for business reasons. Early in 1939 he went to Germany on such a four-year trip. While he was in Germany he had no contact whatever with any members of the German Oberkomandwehrmacht. He was prepared to leave Germany by way of an Italian boat sailing from Genoa, Italy around the first of September, 1939. The ship was delayed and did not sail until September 10, 1939. The ship was the Italian ship Augustus. On the morning of September 10, 1939, the day on which the Augustus sailed, ENGELS was visited in the Columbus Hotel by JOBST RAVEN. ENGELS had known RAVEN in South America. He also knew that RAVEN had left South America sometime in 1938, had returned to Germany, and he had heard that RAVEN had gotten into the German Army.

RAVEN informed ENGELS that he was now a Lieutenant in the German Army, attached to the Intelligence Section of the Oberkomandwehrmacht. He asked ENGELS in the course of a thirty minute conversation if ENGELS would supply him with information concerning economic and industrial developments in Brazil and in the United States. ENGELS agreed to do this and RAVEN gave him a number of mail boxes and names in Germany to which such information was to be sent. RAVEN also gave ENGELS a few suggestions as to the type of information he would like to have. At the conclusion of the conversation, RAVEN asked ENGELS if the latter would set up a radio transmitting station in South America. ENGELS advised that he would not. He stated that he told RAVEN he had no experience in such a field and that it did not appear to him that the nature of the information he would furnish would justify the use of a radio station. ENGELS returned to Rio de Janeiro and began furnishing information to RAVEN, addressing it to the addresses which had been given to him by RAVEN. These addresses were fictitious, but ENGELS no longer recalls any of them. The information which ENGELS furnished, according to ENGELS, was information pertaining to industrial and economic developments in South America and in the United States. ENGELS advised that his sources for the information were Time and Life Magazines, the Readers' Digest, and an occasional newspaper article.

About the middle of 1940 ENGELS was contacted by ERICH LEONHARDT-IMMER. ENGELS stated that IMMER sought ENGELS at the latter's offices with the A.E.G. Company. He stated that this was his first meeting with IMMER. IMMER advised ENGELS that he had come to Brazil from the LW (Wirtschaftsdienst) of the Oberkomandwehrmacht. IMMER brought greetings from Raven. IMMER advised that he was organizing the LW service and was trying to organize a communication system. IMMER discussed with ENGELS the possibility of setting up

a large organization covering the entire coast of Brazil. ENGELS advised that he does not recall the details of this conversation, largely because he paid no attention to it. In this connection, he stated that IMMER made a very slight impression upon him. He stated that in one of his companies IMMER would have been no more than a petty employee.

At any rate, ENGELS and IMMER agreed upon a method of working together. ENGELS continued his work as an economic observer and merely gave his reports to IMMER to forward to RAVEN. ENGELS stated that at no time did he ever do any work with IMMER other than the above. He advised that the last time he saw IMMER was around the end of December, 1940 and that he had nothing whatever to do with the return of IMMER to Germany.

In this connection it is pointed out that there is information in the file furnished by EDWARD ARNOLD which advises that IMMER wrote ARNOLD, saying that he had been recalled to Germany by a telegram purportedly from the German High Command, but which telegram had in fact been forged by ENGELS and BOHNY.

During December of 1940 an individual looked ENGELS up in the A.E.G. office. This individual introduced himself by saying that he was FRITZ GOERTZ and that he brought regards from SCHERNIK. SCHERNIK is an acquaintance of ENGELS in Germany. ENGELS and GOERTZ conversed for a short time about SCHERNIK and finally GOERTZ began to talk about JOBST RAVEN. After sometime, the individual who had introduced himself as GOERTZ, advised ENGELS that he was SIEGFRIED BECKER, from the German High Command. He stated that he was looking for someone to direct an espionage organization which he was setting up and that he had hit upon ENGELS.

Nothing definite was decided upon at this meeting and no frequent contact was held with BECKER until after BECKER returned from a trip which he made to the Pacific Coast. BECKER returned from this trip around March 1, 1941. When he returned he delivered to ENGELS a photographic machine which ENGELS later employed in the manufacture of micro photographs. Shortly after his return from the Pacific trip, BECKER advised ENGELS that he had made arrangements for a radio station and sought to enlist ENGELS' assistance in the operation of the station. However, ENGELS denied that he took an active part in the functioning of the station until late in May of 1941. ENGELS stated that the radio was handled by BENNO SOBISCH until the end of May of 1941. At this time ENGELS decided that he would procure an operator for the station and sent for ERNEST RAMUZ, a technician, who was employed in the Joinville Electric Company shops in Joinville, Brazil. ENGELS brought RAMUZ to Rio de Janeiro and SOBISCH taught RAMUZ how to make simple repairs to the station and

how to send Morse Code. SOBISCH handled the station with RAMUZ until sometime in August, 1941 at which time RAMUZ took over completely and handled all technical aspects of the station until he was arrested.

ENGELS or VON HEYER received all espionage information, coded it into messages, and delivered the messages encoded to RAMUZ. Sometimes the messages were delivered to RAMUZ in VON HEYER'S office; sometimes in bars, and sometimes on the street. ENGELS advised that neither he nor VON HEYER is an operator and that at no time did they have any contact with the station.

ENGELS advised that BOHNY used the facilities of the station, as did BECKER, however, ENGELS saw all messages except those of VON HEYER. ENGELS advised that BOHNY and BECKER, between them, and later VON HEYER organized the service in Natal, Recife and Pernambuco. ENGELS advised that at no time did he make any payment to any agents nor did he have any contact with any agents in any of these places with the sole exception of JOFRE MAGALHAES. It was BECKER who gave ENGELS Moritz Ink and the code book "Collected Work of German authors." In the late spring of 1941 BECKER, ENGELS and BOHNY discussed the need for including in their service a maritime reporting service. ENGELS advised BOHNY and BECKER that he was acquainted with VON HEYER, who had impressed him as a patriotic German. ENGELS knew that VON HEYER was in charge at the Theodor Wille Company in Rio and in such a position was excellently situated to furnish information about the movements of Allied shipping all along the coast of Brazil. ENGELS then went to the Theodor Wille Company and learned that VON HEYER was in Europe on a vacation. ENGELS then communicated with RAVEN in Germany, advising him that VON HEYER was in Europe and that he would make an excellent addition to the espionage organization, being particularly favorably situated to supply shipping information.. ENGELS advised that he sent this message sometime in May of 1941 although he does not rec all the exact date. As a result of this message, HERBERT VON HEYER was brought into the organization and put in charge of shipping.

At about the time BECKER decided to return to Germany the BOHNY group was consolidated with the ENGELS group and the relation from the middle of August until the arrest of ENGELS was extremely close.

ENGELS advised that he had contact, directly or indirectly, with several of the other stations in Rio de Janeiro and with station MAX in Mexico, PYL in Chile, and with one Biebel in Ecuador. Details about the contact with other stations is set out under Sections VI and VII. ENGELS' connection with the agents in the United States is discussed in detail under Section VIII.

ENGELS could not state too frequently that he had very little contact with his own agents. ENGELS was taken through an alphabetical list of subjects in instant case. A great majority of the subjects he claimed not to know even by name. Those agents about whom he knew anything are set forth alphabetically as follows:

ALBRECHT - ENGELS advised that ALBRECHT contacted him in the beginning of 1940 through EDWARD ARNOLD and brought him a letter from JOBST RAVEN. ENGELS advised further that he saw ALBRECHT on two or three occasions but their contact was purely social, and that ALBRECHT at no time worked for him.

EDWARD ARNOLD - ENGELS has advised that ARNOLD was known to him to be an agent working for IMMERS and RAVEN but that at no time did ARNOLD ever work for ENGELS. He stated on one occasion he paid ARNOLD three contos on instructions received from IMMERS.

ERWIN BACKHAUS - BACKHAUS was referred to in one of the CEL messages by name. ENGELS explained this message as follows: Germany had inquired on one occasion late in 1941 if BACKHAUS was acquainted with anybody in the ENGELS group. ENGELS made inquiry and learned that he was not. ENGELS advised that he had learned from BOHNY that BACKHAUS had been handling espionage information very carelessly.

JULIO BOPP - ENGELS advised that he was acquainted with the name BOPP but only to the extent that he recalled that BOHNY had sent a message advising Germany that BOPP and PERIERA had been transferred to Natal on his, BOHNY'S, responsibility..

KARL EUGEN BUHLER - ENGELS advised that he met BUHLER through VON HEYER and that his only contact with BUHLER was at the office on Rua Buenos Aires. BUHLER was used as an unconscious cover for ENGELS and VON HEYER and at no time was he taken into the confidence of ENGELS and VON HEYER.

MEYER CLASON - ENGELS advised that the only thing he knew about MEYER CLASON was that CLASON had been working as an agent for IMMER. He also knew that on one occasion CLASON had taken a micro point containing instructions from Germany to an un known German oculist to be read.

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JOHN KROEGER - ENGELS advised that he knows nothing whatever about JOHN KROEGER and is unable to state that he rec alls the name as being mentioned in any of the cables.

HEINZ LORENZ - ENGELS advised that he knew HEINZ LORENZ only as an Embassy employee. On one occasion LORENZ asked ENGELS for work in the espionage service, but ENGELS had no need for him and did not employ him.

JOFFRE MAGALHAES - ENGELS advised that MAGALHAES was probably recommended to him by HERMANN BOHNY although possibly he had been recommended by ERNST BLOCH in Germany. ENGELS had VON HEYER locate MAGALHAES and later ENGELS saw him personally. ENGELS advised that because he and VON HEYER were dissatisfied with the information they were getting from Recife they decided that they would employ MAGALHAES, who was a Brazilian. ENGELS delivered some 42 Contos of Reis (about \$2,000). ENGELS advised that the details of instructing MAGALHAES and sending him to Recife were left to VON HEYER. It does not appear that MAGALHAES, however, furnished any information of value.

HANS MUTH - ENGELS advised that MUTH was known to him as an expert technician and an intimate friend of BENNO SOBISCH. ENGELS advised that BECKER knew MUTH and knew that MUTH had constructed the station which SOBISCH sold to BECKER but ENGELS did not recall any details about this transaction.

ERNST RAMUZ - ENGELS advised that RAMUZ was chief of the electrical shop of the Joinville Electric Light and Power Company. ENGELS brought RAMUZ to Rio to run Station CEL, which RAMUZ did after he learned his trade from SOBISCH. ENGELS advised that RAMUZ ran the radio station from sometime in August until his arrest in May of 1942.

BENNO SOBISCH (deceased) - ENGELS advised that he had a limited contact with SOBISCH but that he knew that SOBISCH had built most of the espionage stations in Rio de Janeiro and that he was an expert technician and a close friend of HANS MUTH. SOBISCH also instructed RAMUZ in radio telegraphy at the request of ENGELS.

HEINZ TREUTLER - The impression has been formed from a statement made by STARZICZNY that TREUTLER after working for sometime in the CIT radio group quit CIT and joined CEL. ENGELS denied that this was the case. He stated that he met TREUTLER when TREUTLER was in the aircraft section of Theodor Wille and Company; that he met TREUTLER on one occasion in 1937. He stated that TREUTLER at no time did any work whatever.

ENGELS advised that the secret message letters which he sent experimentally to Germany were not written on a typewriter but were written by hand. He said that he is able to operate a typewriter but that he did not use one in connection with his S/W letters to Germany.

ENGELS advised that he is familiar with the name Admiral CANARIS. He stated that he had heard BECKER speak of him but that he had never had any contact with him. ENGELS remarked that the only real professional in the CKL organization was SIEGFRED BECKER. ENGELS advised that it was his impression that the organization was extemporized or "improvisado." ENGELS advised that his thought was that the Germans had expected a short war and that when the war did not end rapidly it was necessary to improvise an intelligence service in all parts of the world. He stated that it seemed to him to be the policy of the Germans to rely more upon patriotism than upon paid agents and that all the agents in his employ were strictly amateurs.

With regard to censorship, ENGELS advised that on one occasion he had received a letter from Germany explaining that the censorship was much more rigorous to Europe than it was from the United States to South America; therefore, agents in the States were instructed to send letters to Brazil where they could then be transhipped by way of Lati to Europe.

The German Subjects

ENGELS advised that he was familiar with the following names in Germany: BLOCH, BRUNO, CANARIS, Dr. GROSSEN, HARALD, LEO, LUDOVICO, LUDWIG, MARTIN, STEIN, URSULA CADENBACH, WILLI, and WILLY. ENGELS advised that all these names were connected with either the 1L, 1M, or the 1W divisions of O.K.W. ENGELS advised that LEO and LUDOVICO were cover names for the 1L or Luftwaffe section. In this connection it is pointed out that it has always been thought that LEO is a cover name for ERICH LEONHARDT IMMER. ENGELS advised that he was of the distinct impression that IMMER was attached to and active in the 1W section. He said that he did not connect the letters with IMMER'S name. He advised further that it seemed to him that LEO would be a likely name for IMMER but that his first reaction to the word LEO or to any name beginning with "L" is the Luftwaffe section and that if he remembers correctly, the letters which he received signed LEO usually dealt with aircraft material. The same thing is true of LUDWIG and LUDOVICO. In this connection it is pointed out that most of the material for GAMMILSCHEG was received signed LUDWIG or LUDOVICO.

MARTIN was the name, according to ENGELS, which was used to send all communications either by radio or by mail which dealt with marine matters, that is, matters under the jurisdiction of LM. STEIN and BRUNO in the opinion of ENGELS are not the names of individuals at all but are merely the names of the people who were in charge of the station. STEIN, it will be noted, signed the great majority of the CEL messages and BRUNO was always referred to in connection with the GALLILSCHEG messages, indicating that he was in charge of GALLILSCHEG'S station.

BLOCH, or ERNESTO BLOCH, was one of the supervisors or one of the persons active in the supervision of the affairs of the LW (Wirtschaftsdienst) in Germany. ENGELS advised that the package which he sent to ERNESTO BLOCH which is referred to in one of the intercepts was a package of coffee.

WILLI and WILLY were the names used to indicate material for the Wirtschaftsdienst or LW.

ENGELS advised that URSULA was URSULA CADENBACH. As he recalled the matter, ENGELS stated that this was the fictitious name for a mail drop he believed in Lisbon. HARALD and Dr. GROSSEN are names which appear in the messages from Germany. ENGELS advised he was unable to give any information whatever concerning these two names.

ENGELS was born on June 1, 1899 in Buckholz West Phalia, Germany. His father was JOSEPH ENGELS and his mother was MARTA MOLITOR. His father was an extremely wealthy man, a large land owner, with substantial mining interests in Germany. He has two brothers, WILHELM and FRANZ. WILHELM is forty-one years of age; FRANZ thirty-eight. Both are farmers. WILHELM lives in East Prussia; FRANZ in West Phalia.

ALBRECHT ENGELS went to common school and the Gymnasium in Buckholz and after the last war went to the Engineering University at Charlottenburg, where he studied engineering from 1920 to 1923. In 1916, at the age of sixteen, ENGELS volunteered for the German Army and saw action with the 28th Infantry Regiment in Rhenania. He was in France and received leg and body wounds in October of 1918. At the beginning of 1918 he received his commission as a lieutenant and was with the German Army in Lithuania until 1919. In 1923 his family lost its fortune in the inflation and ENGELS decided to come to Brazil in an effort to recoup the family fortune. He had a letter to the Siemen Schukertwerke. He arrived in Brazil in August of 1923 and went to work for

~~SCHUKERTWERKE~~. At the end of 1923 he returned to Germany and married KLARA PICKHARDT.

In 1928 ENGELS'S only child, ALBRECHT, was born. ALBRECHT is a German subject. In 1934 ALBRECHT GUSTAV became a Brazilian citizen in order that he could be active in the formation of the Joinville Electric Light and Power Company. Also in 1934, ENGELS spent sometime in Germany on a vacation and on business. The last trip which ENGELS made to Germany was in February of 1939, from which trip he left Europe on the tenth of September, 1939 to return to Brazil.

As stated above, ENGELS first worked for Siemen Schukertwerke for several months when he first arrived in Brazil. In 1924 he went to work with the Cia Sidercurgica Brasileira and he also became a director of Cia Medica Carbonifera Prosfera until 1926. In about the middle of 1926 he signed a contract with the Allgemeine Elektrizitaets Gesellschaft as an employee and manager of a branch of this company in Bello Horizonte. In 1930 he came to Siemens for two years as chief engineer.

At the end of 1931 he went to Joinville, Brazil as a director of the Empresa Sul Brasileira de Electricidad (Joinville Light and Power Company). ENGELS was a director and manager of this company as well as active in the affairs of the A.E.G. Company until 1939 when he left the Joinville Company as manager but continued his job as a director of the company.

In 1938 ENGELS was made a director of the A.E.G. in Berlin and was sub-director of the office in Rio de Janeiro.

ENGELS advised that in 1935 his income was about six or seven thousand dollars per year and that by 1941 it was about ten or twelve thousand dollars a year. He advised that there was always a fluctuation in his income, depending upon how good business was.

In 1940 ENGELS made a trip to Peru and Mexico. He advised that this trip was principally on business for the A.E.G. Company but while on the trip he was in contact with GEORG NICHOLAUS and FRIDRICH SCHLEBRUGGE, operators of Station MAX in Mexico. ENGELS' contacts with these people at this time are discussed in Section VII. Also in 1940 he made efforts to make a trip to the United States but did not do so because he was unable to secure a visa. On this occasion he was informed by the United States Consul General in Mexico City that his reasons for wishing to visit the United States were not sufficient. Details concerning the efforts to make this trip and his contacts with one HARRY F. ~~X~~PERISSI are included in a

report by #244 dated February 26, 1943.

In 1941 ENGELS made a trip to Montevideo, Uruguay and Buenos Aires, Argentina. ENGELS' best recollection is that this trip was made in September of 1941. The records of airplane travel reflect that ENGELS left Rio on August 24 and returned on September 2, 1941. ENGELS advised that his principal reason for making this trip was A.E.G. business but that in Buenos Aires he met one BIEBEL who was in charge of German espionage operations in Quito, Ecuador. Details concerning this contact with BIEBEL are set forth under Section VII. The following is a personal description of ENGELS:

Age	43
Height	6'
Weight	190 lbs.
Build	Very athletic, muscular
Hair	Dark brown, straight, parted on the left, receding
Complexion	Medium dark, now blotchy
Head	Long and narrow
Face	Long and thin
Features	Regular
Eyes	Peculiar shade of brown, hazel, very alert penetrating eyes
Teeth	Fair
Eyeglasses	Wears horn rimmed glasses when reading
Peculiarities	Wears a gold wedding ring but no other jewelry; leaves the impression of being elegantly dressed even after a year in prison; presently wearing a brownish military moustache.
Education	Engineering course Charlottenburg University in Germany
Marital status	Married, one son, age fourteen
Languages	German, Portuguese, Spanish fairly fluently
Nationality	Dual, German-Brazilian

ENGELS gives the impression of being a very commanding, extremely intelligent, successful executive. He is clever and personable. He has not lost a dominating air, even in prison, but there is nothing arrogant in his manner. In some respects, ENGELS was the best known and the best liked German in Rio de Janeiro. He had and has contacts in all walks of Brazilian life. ENGELS claims that he is not a Nazi but that he is a patriotic German.

CARLOS FINK

CARLOS FINK has been carried as an agent in this case solely because reports from the police at Recife stated that FINK was an agent for HERBERT VON HEYER in Recife. However, FINK has since given a statement that he was an agent for FEDERICO KEMPTER in the LIR case and that he never had any contact with VON HEYER.

JOHN FLINT

ENCKELS advised that he remembers the name JOHN FLINT as one of the names appearing on the letters bearing secret ink messages containing espionage information which he received from the United States. He advised that the name was fictitious and he has no idea as to the identity of this individual.

OTTO FONTES, alias Henrique Vincenz Fontes

OTTO FONTES, with alias Henrique Vincenz Fontes, is thought to have supplied a mail address for the CEL agents. A message from CEL to Germany advised that the cover address of Henrique Vincenz Fontes had been established. This address was Rua Marques de Abrantes 109, Rio de Janeiro. Investigation has disclosed that, at one time, OTTO FONTES was an advertising solicitor for the German newspaper "Deutsche Zeitung" in Rio de Janeiro. FONTES resided at Rua Marques de Abrantes 109 until a few months ago. At the time of his departure, FONTES left some of his personal property at the Unias Panificadora Leopoldinense Ltda., Rua Marques de Abrantes 91-B. He is thought to be in São Paulo at the present time and has never been interrogated.

OSVALDO RIFFEL FRANCA

FRANCA is a young Brazilian doctor. His connection with the CEL case is extremely remote and comes in only through his contact with TULLIO REGIS DO NACIMENTO, a Captain in the Brazilian Army. NACIMENTO'S connection with the CEL case is also tenuous. NACIMENTO gave FRANCA seven Contos (\$350.00) to carry a clock to Buenos Aires. The clock was to be delivered to one THILO MARTINS, and if MARTINS was not available to accept delivery, FRANCA was to give the clock and a letter to one "OTTO" on the Passeo Colon. THILO MARTINS is the head of a steamship agency in Buenos Aires and is thought to have been active in espionage circles in Buenos Aires. "OTTO" is thought possibly to be identical with ELVEZIO ORTELLI who used the cover name of "OTTO" in the LIR case. There is some thought that the traveling clock which FRANCA carried to Buenos Aires may have contained microdots. This thought is based on the fact that CAMILLISCHER of the HTT case received microdots from Germany concealed in a traveling clock.

WALTER GOLTERMANN, with aliases, Walter Goldermann, Goltzman, Golderman

The aliases of the above subject appear to have come into the file as the result of a mis-apprehension in the following manner:

ALBRECHT ENGELS, in the operation of Radio Station CKL, had a mail box No. 590 in Rio de Janeiro. This box was known as the "Goldmann" box. In cable correspondence with Germany, Germany referred to the box as the "Goltzman" box.

In one of his statements given to the Brazilian police in Rio de Janeiro, ENGELS stated that this box was known as the Goldmann box, and it was possible that this name may have been identical with WALTER GOLDERMANN. ENGELS was questioned at considerable length about his acquaintance with WALTER GOLTERMANN. He advised he had no acquaintance with GOLTERMANN prior to meeting that individual in jail in Rio de Janeiro. He stated GOLTERMANN had no connection with the CKL espionage group. With regard to his previous statement that GOLDMANN of the Goldmann box may have been identical with WALTER GOLTERMANN, ENGELS advised that this appears to be an error as all of the names used in connection with the drop boxes were fictitious. The so-called Goltzman message is as follows: "Newsecret agent in New York will report with Cito ink via Goltzman address --- Joe is not in possession of the Goltzman address". This message was dated October 7, 1941. It is to be noted that WALTER GOLTERMANN did not arrive in Rio de Janeiro until October 10, 1941.

Another factor connecting GOLTERMANN with the instant case was the finding, in the effects of JOHN KROEGER, principal subject in a Bureau case entitled "JOHN KROEGER, with aliases, Espionage-G", of the name of Walter Goldorman.

The final factor in the connection of GOLTERMANN with the instant case is a statement made by GOLTERMANN to the police in Rio de Janeiro at the time of his arrest in that city. GOLTERMANN advised in his statement that he left Madrid, Spain, in 1923 to go on a secret mission for the German Government. He said he became an American citizen in 1928 and continued to live in the United States, making frequent trips to Germany for short visits. In the fall of 1941, he left New York and came to Rio de Janeiro. In his statement, GOLTERMANN advised he came to Brazil on the same secret mission for the German Government. He denied he had ever engaged in espionage, but added this was so only because he had never had an opportunity to do so. GOLTERMANN advised that here in Rio de Janeiro he talked to all the German people that he could, and he felt it was his duty to bolster the morale of all Germans, or anyone else who worked for Germany. He stated he worked hard at this

job and believed that if he carried on his activities in behalf of the German Government long enough his efforts would come to the attention of the German espionage agents and he would then be rewarded. He continued that no German espionage agents ever called upon him for his services, and as a result he only engaged in propaganda activities.

GOLTERMANN was interviewed in Rio de Janeiro by the writer. He repudiated in detail this statement and advised it was taken from him by the police after 80 hours of the "regime duro". It was described by GOLTERMANN that this "regime duro" consisted of nearly five days without sleeping, of standing nude for a period of nearly 55 hours with his arms outstretched in a small room answering questions. GOLTERMANN stated he was kicked and beaten until he was on the point of losing consciousness several times, and his legs were so badly swollen they would no longer support his weight. He advised he was of the impression that the police intended to kill him. He stated he did not make a statement until he began to imagine "spectres" coming at him in the cell. When he did sign a statement, it was so vague and general that he was convinced no one reading the statement would believe that it had been made seriously.

GOLTERMANN advised he was acquainted with JOHN KROEGER and that he met KROEGER when both of them were living at the Pensao Hamburgo. He stated he felt it was entirely natural that since KROEGER was a German-American from New York City and he, GOLTERMANN, was also a German-American from New York City, that the two should come into some contact. In spite of this, GOLTERMANN stated he only saw KROEGER about three times. These three times were in November or December of 1941. He stated that his contact with KROEGER on these three occasions was purely social, and on one occasion they went shopping. They did not discuss politics and KROEGER at no time indicated that he was anything other than a loyal American. When GOLTERMANN learned that KROEGER was returning to the United States, he asked him to carry a small gift to his, GOLTERMANN'S, girl who lives at 175-10 173rd Street, Flushing, Long Island, New York. GOLTERMANN advised that her name was LOUISA *LANGE. GOLTERMANN asked KROEGER to call on his, GOLTERMANN'S, family in New York, all of whom reside in Flushing or Jackson Heights, Long Island. GOLTERMANN emphatically denied that he had ever had any connection of any sort with the German Government or any other government, or that he had ever been engaged in espionage or propaganda activities. He added that he has no information whatever about anyone else engaged in such activities. He stated he is a loyal American and is still at a loss to understand why he is being held as an espionage agent.

States are in the East River Savings Bank, Cortlandt Street Branch, New York City. He also advised that he has an account in the name of Dr. GEORGE BEER, a Jewish doctor who practiced at the Boston Memorial Hospital. GOLTERMANN advised that his interest in this account is about \$800.00. He stated that one of his best friends in the United States was Doctor BEER whom GOLTERMANN aided to bring to the United States. Doctor BEER will be able to furnish a great deal of information about GOLTERMANN. GOLTERMANN'S fiancée is LOUISA LANGE, 175-10 173rd Street, Flushing, Long Island. He stated he had heard from Miss LANGE advising him that KROEGER had called upon her and had brought greetings from GOLTERMANN. GOLTERMANN stated he had requested KROEGER to carry a crocodile bag to Miss LANGE, but that KROEGER had refused to do so. GOLTERMANN also gave the name of Doctor GOLDFARB, Head of the Biology Department at City College as a responsible person who could furnish information about him. At the Irving Trust Company, GOLTERMANN'S superior in the Translation Department was Mr. FICKEN, and the Vice-President in charge of the Foreign Department, Mr. HARTMANN, is also acquainted with GOLTERMANN. These two individuals will also be able to furnish information concerning him. GOLTERMANN has one brother in the United States Army, RUDOLF GOLTERMANN, aged 32, single, and stationed with a Tank Company in the U. S. Army since January, 1942. He has two other brothers, WERNER GOLTERMANN, aged 41, married, and residing at 140-54 Oak Avenue, Flushing, Long Island, and ADOLF GOLTERMANN, aged 38, married, and who resides at 1876 Cedar Avenue, Bronx, New York. GOLTERMANN last resided in the United States at 979 Summit Avenue, Bronx, and at 1030 Woodycrest Avenue, Bronx, New York. GOLTERMANN is described as follows:

Age	-	45
Height	-	5' 8"
Weight	-	175
Build	-	Pudgy
Hair	-	Straight, dark brown, combed straight back, receding.
Eyes	-	Blue
Complexion	-	Pale
Nationality	-	Naturalized U. S. Citizen
Occupation	-	Translator
Education	-	B.S. Degree, City College, New York City
Organizations	-	Phi Beta Kappa
Marital Status	-	Single

HARALD

HARALD is the name which appears in two of the CEL messages. None of the CEL subjects were able to furnish any identifying data concerning him, other than that he is in Germany.

MARTHA HARRERIED, alias Matha Harreried

MARTHA HARRERIED is referred to in two CEL messages as the name in which mail could be addressed to mail drops in Europe. ENGELS and VON HEYER denied knowing anything about this individual and both stated they were of the impression that the name is entirely fictitious.

HERBERT JULIUS FRIEDRICH VON HEYER, with aliases, Humberto, Vesta, Eugenio Muhler, Mendes, Joao Coelho, Botelho.

VON HEYER was ENGELS' principal assistant in the operation of Radio Station CEL. The aliases listed above, with the exception of Humberto and Vesta, are listed as aliases because they are names under which VON HEYER received mail from agents in the United States. The name Humberto was the name with which VON HEYER signed a great number of messages which he sent over the CEL transmitter to Germany. The name Vesta was the name which VON HEYER used when he was transmitting or sending messages over Radio Station LIR, the station of FEDERICO KEMPTER.

HERBERT VON HEYER, a subject of Germany and also having Brazilian nationality, was perhaps the most important agent in the operation of Station CEL next to ALBRECHT GUSTAV ENGELS. He handled the Maritime Section of the espionage service, recruited some agents in Recife, signed many of the cable messages, maintained liason for ENGELS with the other stations in Rio de Janeiro, and did a great volume of the coding.

According to the story told by VON HEYER and ENGELS, VON HEYER was recruited by JOBST RAVEN, a German Intelligence officer, in Lisbon, Portugal, in early June of 1941. VON HEYER advised that in February of 1941 he went to Europe for the purpose of visiting his brothers and his mother whom he had not seen for many years, and to obtain commitments from various German firms in order that he might be made their agent in Brazil when the present war ends. He stated he had every intention of going to Germany, but that he was unable to do so because no visa could be obtained from the German officials in Lisbon, Portugal, or Madrid, Spain. VON HEYER pointed out that he

did not obtain a visa to enter Germany from the German officials in Brazil for the simple reason that while he is technically a Brazilian subject and was traveling on a Brazilian passport, if he had obtained a German visa the British would certainly have taken him off his boat and probably interned him. In this connection it is pointed out that it is quite as likely that VON HEYER would have been arrested on his return trip if his passport showed a German visa, so that the fact that no German visa appears in his Brazilian passport is conclusive of nothing at all. In spite of everything to the contrary, VON HEYER maintained that he did not enter Germany. As a possible bit of evidence to support his contention, mention is made of the fact that upon his return he informed a business associate, EUGEN BUHLER, upon his return from Europe, that he had been unable to enter Germany. EDWARD ARNOLD, another CKL subject, advised that he had received a letter from his mother in Hamburg, advising that HERBERT VON HEYER had been by her home in her absence and had left greetings from ARNOLD in South America. VON HEYER explained this by stating that, upon learning that he would be unable to go to Germany, he corresponded with his brothers in Hamburg, sending along the greetings to Mrs. ARNOLD which EDWARD ARNOLD had asked him to carry to his mother. VON HEYER stated that in all probability one of his brothers had personally called on Mrs. ARNOLD and that she had confused the greeting with the person who carried the greeting. He advised that shortly before he was ready to return to Rio de Janeiro, he was spending a few days in Lisbon, Portugal. While there, he was contacted in front of his hotel by JOBST RAVEN whom he had known previously in South America.

RAVEN told VON HEYER that he had received a message from ENGELS advising him that VON HEYER was in Europe and that VON HEYER would probably be an excellent person to supervise the furnishing of maritime information to the German Government. RAVEN gave VON HEYER a rough outline of the things that would be expected of him upon his return to Brazil, and told him that ENGELS would give him the details of his work. He also gave VON HEYER a package containing chemicals to be used in the making of secret ink. VON HEYER stated he saw RAVEN in Lisbon about four or five times, all immediately before his departure from Lisbon on June 6, 1941.

ENGELS, telling about the same story, advised that he, BOHNY, and BECKER had decided that the addition of a maritime division to their existing espionage organization was necessary. ENGELS thought of VON HEYER whom he had known previously from contacts with the THEODOR WILLE Company in Rio de Janeiro. ENGELS went to the office of the WILLE Company and learned that VON HEYER was in Europe. He thereafter sent a message to RAVEN in Germany, telling RAVEN to contact VON HEYER and recruit him as an agent to be employed in the ENGELS group. Upon VON HEYER'S return to Rio de Janeiro, he

immediately got in touch with ENGELS and began to work as ENGELS' principal assistant, specializing in maritime matters. One of VON HEYER'S first jobs upon his return to Brazil was a trip to Recife and Natal where he attempted to recruit agents. VON HEYER stated he contacted HANS OTTO MEYER in order to learn the name of a reliable person in the north of Brazil. MEYER gave him the name of HANS SIEVERT, an employee of the HERMANN STOLZ Company in Recife as a person of confidence. VON HEYER contacted SIEVERT and through SIEVERT recruited CARLOS WOLFERTZ and attempted to recruit WALTER GRAPERTIN. GRAPERTIN refused to have anything to do with VON HEYER'S project. WOLFERTZ agreed to furnish information to SIEVERT but shortly after his agreement to do so he was transferred by his company to São Paulo and at no time furnished any information to VON HEYER. It appears that SIEVERT furnished considerable shipping information to VON HEYER.

VON HEYER was in contact with FEDERICO KEMPTER, Chief Agent of Station LIR. KEMPTER contacted VON HEYER within a few days after the latter's return to Rio de Janeiro and thereafter contact between these two individuals was quite close. Details concerning this contact are set out in Section No. 6 of this report. VON HEYER was the principal personal contact between agents of LIR, CIL sub-station (SCHLEGEL) and JOH. VON HEYER'S contact with Station CIT seems to have been limited. VON HEYER was personally acquainted with JOBST RAVEN, ERICH LEONHARDT IMMEN, EDWARD ARNOLD, RUDOLF EHRHORN, ERNST RAMUZ, JOFFRE MAGELHAES, ELLEMER NAGY, KARL EUGEN BUHLER, ANTONIO GAMA PINTO, MAX KLEE, and ALBRECHT. He advised that he was also acquainted with WILHELM REIS, FRITZ KOEHLER, and HANS CHRISTIAN VON KOTZE. He denied that any of these individuals ever did any work for him of an espionage nature. He also admitted that he was familiar with the names, NATHAN, JOHN, JOE, and INO. These were all names that he remembered as having been signed to letters containing espionage information in secret ink, which letters he received from agents in the United States. He denied having any information concerning those agents. He also advised he is familiar with the name JOHN KROEGER and that he gave KROEGER the alias of "Horatio".

It is felt that there exists the possibility that VON HEYER may be used as a witness in the United States against JOHN KROEGER, who is a subject in a Bureau case entitled "JOHN KROEGER, with aliases, Espionage-G". A statement has been prepared from information furnished by VON HEYER which is thought to be approximately the statement which would be desired from VON HEYER in the event he were to be used as a witness. A copy of this proposed statement, together with the information concerning the difficulties to be expected from an effort to remove VON HEYER, was sent to the Bureau from the Rio de Janeiro Office under date of March 8, 1943. This tentative statement, unsigned, is set out as follows:

"Rio de Janeiro, Brazil

I, HERBERT FREDERICH JULIUS VON HEYER, make the following free and voluntary statement to _____, official of the Delegacia Especial de Seguranca Social and Political of Rio de Janeiro, and FRANCIS E. CROSBY whom I know to be a Special Agent of the Federal Bureau of Investigation, United States Department of Justice. No threats or promises of any sort have been made to me. I know I cannot be required to make a statement, and I know that any statement I do make may be used in a court of law in the United States of America.

I was born in Santos, Brazil, April 21, 1900. My mother is JULIA CHRIST VON HEYER and my father was GUSTAV VON HEYER, both German subjects.

In 1904, my family returned to Germany from Brazil and I accompanied them. I did not return to Brazil again until October or November, 1923.

In Germany, I attended the Gymnasium in Lubeck until I was 17 years of age. After the war, I completed my formal education by a course in a commercial school in Lubeck.

In the winter of 1917, I volunteered as a soldier in the German Army. I performed military service in Russia, and after the war did further service with the German Army in Latvia. At about the end of 1919, I left the Army with the rank of Sergeant. I did not perform any army reserve service.

After the war, I worked in two commercial houses in Lubeck until 1923 when I returned to Santos, Brazil. I have been in Brazil ever since that time with the exception of one trip I made to Europe in the Spring of 1941. I have been employed in several commercial enterprises in Brazil, and I have also been in business for myself. At the time of my arrest by the Brazilian Police in Rio de Janeiro on March 18, 1942, I was jointly in charge of the steamship service of Theodor Willi and Company in Rio de Janeiro.

I first became acquainted with ALBRECHT GUSTAV ENGELS sometime in 1938 when ENGELS had some contact with the Willi firm. My contacts with ENGELS were occasional and casual until after my return from Europe in July of 1941.

Early in the year of 1941, I made a combined business and pleasure trip to Europe. I intended to visit my mother and brothers whom I have not seen for many years and also to secure commitments from various German exporting companies in order that I might represent such companies in South America after the war. On this trip, I travelled on a Brazilian passport. My passport had no German

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visa. I intended to secure a German visa in Spain, but was unable to do so. I did not visit Germany on this trip to Europe. I spent all my time in Lisbon, Portugal, and Madrid, Spain.

A few days before my departure from Lisbon, I was met in front of my hotel by JOBST RAVEN, a Captain in the German Army. RAVEN told me that ALBRECHT ENGELS in Rio had told him I was in Lisbon and had asked him to get in touch with me and to discuss with me the enlargement and improvement of the information service which ENGELS was running from Rio de Janeiro on behalf of the German Government.

RAVEN, who was attached to the intelligence service of the German Army, gave me an outline of what my duties with ENGELS would be. He stated that ENGELS would give me details. According to RAVEN, my duties would consist principally of the furnishing of information about ships and cargoes, especially ships going to the United States and England. RAVEN also asked me to carry a package to ENGELS. He advised me that the package contained formulas and chemicals for the manufacture of secret inks, that is, inks which could be used to transmit a message separate from the obvious message in a letter, and in such a manner that the secret ink message would not be observable and would not be visible without a treatment of the paper by a certain chemical process.

I sailed from Lisbon on the Brazilian ship Bage about June 6, 1941, carrying the package for RAVEN.

Upon my arrival in Rio de Janeiro, either late in June or early in July of 1941, I got in touch with ALBRECHT ENGELS, gave him RAVEN'S package and told him RAVEN had told me that he, ENGELS, would give me detailed instructions as to what my assignments would be in assisting him.

ENGELS informed me that he was operating an information service on behalf of the German Government and was in short-wave radio communication with Germany. ENGELS told me that my principal duties with him would be the furnishing of information as to ships and cargoes for transmittal to Germany. He suggested that it would be a good idea to recruit some agents in the north of Brazil, specifically, Belem, Recife, and Natal, to complete the maritime service.

I agreed to do this and early in July, 1941, I made a trip to Recife, Natal, Belem, and Pernambuco for the purpose of finding people who would furnish us with reliable information concerning ships and cargoes, especially ships and cargoes for the United States and the United Kingdom. My recruiting efforts were

partially successful.

I worked closely with ENCKES in the operation of the radio station of which ENCKES was chief and ERNST HAMPEL was chief operator, from July until March 18, 1942, when ENCKES and I were arrested by the Brazilian police.

I was the author of most of the radio messages, usually signed HENCKEN, which our station sent to Germany dealing with shipping cargoes and the movements of ships. The information sent in these messages was obtained to a large extent by personal observation and from an associate in Recife, Brazil.

I had some contact with FERNANDO KEMPNER who was also operating a short-wave radio station in Rio de Janeiro, Brazil, and who was also transmitting information to the German Government. I had a limited contact with THEODORE SCHERER, another individual in Rio de Janeiro who was also furnishing information to the German Government.

My position in the service of which ENCKES was chief was that of chief collaborator. I was empowered to sign messages and order that they be dispatched. I also had authority to decide what material would be sent and what would not be sent.

I did a great deal of the coding of the messages which our station sent to Germany. As a supplementary means of communicating with Germany, I also made use of "secret ink" messages in apparently harmless letters which I addressed to certain addresses in Germany, furnished to me by ENCKES. I intended these messages for RAVEN, or for two individuals called respectively "SEKEN" and "LEO" whose identity I do not know, but whose names I associated with RAVEN, and whose names appeared signed to communications received by our station.

I had no contact whatever with HERMAN BOENY of the German Embassy in Rio de Janeiro.

I did not have control of the funds used by the station other than the making of an occasional payment to ERNST HAMPEL as directed by ENCKES. My own expenses were paid out of station funds by ENCKES. My practice was to submit a monthly expense account. I wish to state that I did not receive more than about 10 contos (\$500) for my expenses in connection with the service.

About a month and a half before Christmas, 1941, I received a communication from Germany advising me that one JOEN KROEGER would get in touch with me.

However, JOEN KROEGER did not get in touch with me personally. I wish to affirm that I have never seen JOEN KROEGER, so far as I know.

Sometime around Christmas, 1941, I cannot affirm whether it was more nearly a week before or a week after Christmas, I received a letter from KROEGER. The envelope was addressed to me at the firm, Theodor Wille Co., and bore a Brazilian postage stamp. The letter requested me to advise NAUMANN, in Hamburg, that KROEGER was departing. The letter was signed JOHN KROEGER.

As directed in KROEGER'S letter, I sent a radio message to Germany advising that KROEGER had departed.

On February 13 or February 14, 1942, I received a letter dated January 13, 1942. This letter contained a message in secret ink which I developed. The secret message in this letter set out details about the harbor at Trinidad, about the British ship Queen Mary, and the warships escorting this vessel. The letter also set out some information about airplanes in the United States and about the attitude of civilians and soldiers in the United States. This letter was signed JOHN KROEGER.

I encoded the information set forth in this letter and sent a radio message to Germany based on this letter I received from KROEGER. I have identified a message shown to me by FRANCIS CROSBY as being an accurate translation of this message which I sent. The message shown to me is as follows: "February 14, 1942: GML to Germany - Advise Naumann, Hamburg, JOHN KROEGER of New York arrived. Reports on January 13 Queen Mary in Trinidad, escort two cruisers and six destroyers. Roosevelt airport 22 Grumman amphibians number 16 loaded. Civil and military attitude is poor. Humberto".

On February 14 or 15, 1942, or the day after I received the letter above referred to, I received another letter signed KROEGER or JOHN KROEGER, I do not remember which. This letter was dated January 27, 1942. This letter contained a message in secret ink which I developed. The secret message in this letter set forth information about a great number of Grumman amphibians in New York and Frisco. It also discussed conditions at the Brewster aircraft.

I no longer recall from which city in the United States the above letter was mailed.

I discussed the matter with ENGELS and we decided that we would give KROEGER the cover name of HORACIO.

The information contained in the letter dated January 27th was encoded by me into a radio message which I ordered sent to Germany.

FRANCIS ~~CROSBY~~ has shown me a message as follows: "February 15,

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1942, CKL to Germany. KROEGER, alias HORACIO, reports on January 27 that New York and Frisco sent out great numbers of Grumman amphibians to land and sea. Brewster aircraft is completely equipped for 10,000 men; only 3,000 men are working there. Production eight Grummans daily. Humberto".

This is the message which I ordered sent to Germany on February 15.

On March 1, 1942, I encoded and ordered sent by radio to Germany a message setting out the address in the United States of KROEGER. FRANCIS CROSBY has shown me a message as follows: "March 1, 1942, CKL to Germany. Address KROEGER; MAX KOAL, 225 Fulton Street, Westbury, Long Island, New York. Received Moritz for writing pural for developing".

This is the message which I ordered sent to Germany by radio.

I have no distinct recollection of the form of the letter in which I received this address from KROEGER.

It was my custom to base my radio messages on letters received in secret ink from the United States, and I had no other source from which I might have received a message dealing with the address of JOHN KROEGER.

This was the extent of my correspondence with JOHN KROEGER.

With reference to the first letter above referred to advising of the departure of JOHN KROEGER; I remember distinctly receiving this message at the office of the Theodor Wille and Company in Rio de Janeiro. With reference to the other letters received from KROEGER, I do not recall distinctly whether I received these at the office of the Wille Company or in the post office box of KARL EUGEN BUHLER, Box 3338, Rio de Janeiro. I do know I received letters containing secret messages at both addresses. In connection with Post Office Box 3338, I received mail under the name of EUGENIO MENDES.

All the above mentioned letters were destroyed by me.

I continued gathering information and furnishing it to the German Government by radio until the date of my arrest which took place on March 18, 1942.

I have read this statement consisting of nine pages. I have

signed each page and initialled all corrections where any were necessary. The information set forth in this statement is true to the best of my knowledge and I sign on the last page of the statement freely and voluntarily.

""

The signing of the above statement has not been secured from VON HEYER, but it is felt that the same can be secured from him and there is also some hope that VON HEYER may be removed to the United States as a witness.

VON HEYER denied knowledge, or acquaintance with, any of the other unidentified agents in the United States.

VON HEYER denied that he ever knew IMMER'S connection with the espionage service. With regard to JOFFRE MAGELHAES, VON HEYER advised that he was recruited on instructions received from ENGELS because it was known that MAGELHAES had contact with the unsuccessful SALAMON group and because ENGELS and VON HEYER were dissatisfied with the work which was being done in Recife, Pernambuco, and Natal. VON HEYER made MAGELHAES available to ENGELS, and thereafter ENGELS and VON HEYER instructed JOFFRE MAGELHAES in his duties in the use of secret inks, gave him 42 contos (About \$2,000) and sent him to Recife where he never did anything that amounted to anything for the CKL group. VON HEYER advised he knew ANTONIO GAMA PINTO, but he did not know he was working for ENGELS. He advised he was not aware of the fact that MAX KLEE was working with ENGELS. He stated he never did any work with ALBRECHT, and that the only thing he knew about ALBRECHT was that this individual was head of the STAHLHELMBUND. VON HEYER denied he had ever had any espionage contact with WILHELM REIS and advised that his only contact with REIS was a business contact in 1936 when he tried to sell REIS some crystals. VON HEYER stated he knew FRITZ KOEHLER only by sight and by name, and that KOEHLER had never done any work for the CKL group so far as he, VON HEYER, knew. With regard to VON KOTZE, VON HEYER stated he knew this individual was in Rio de Janeiro on a mission for the Germans. He also remembered that in the cable correspondence the name "FRED" appeared. This "FRED", VON HEYER advised, was a cover name for VON KOTZE. VON HEYER also attempted to acquire the radio equipment of ELLEMER NAGY, which equipment VON HEYER understood NAGY had salvaged after the flight of JANOS SALAMON. He said he gave NAGY a total of about \$60.00 on two occasions, but that NAGY at no time did any work for him, nor did he make his radio transmitter available to VON HEYER.

According to VON HEYER, EHRHORN looked him up at the Theodor

He left Hamburg in October or November of 1923 and went to Santos, Brazil. In Santos, he worked for one year with the Banco Alemão Transatlântico. He was with the Cia Paulista de Exportação, a coffee exporting company, until 1930. He was then in the construction business for himself until 1932. He built warehouses during this period for Theodor Wille and Company, Armira Lima and Company, Cia Brasileiro de Frutas, and other companies. In 1932 business became bad and he went into the fruit business with one CARL FISHER. In 1934 he was in business as a buyer for FRANZ KONETZ, buying principally cotton. In 1938, VON HEYER came to the Theodor Wille Company in Rio de Janeiro and worked for them until the time of his arrest on March 18, 1942. At the Theodor Wille Company, his position was that of Manager of the Shipping Section and his salary was approximately 2 contos per month.

VON HEYER is described as follows:

Age	-	42
Height	-	5' 11"
Weight	-	165
Build	-	Slender
Hair	-	Black, straight, receding hairline.
Complexion	-	Very pale
Eyes	-	Dark brown, heavy circles
Features	-	Regular
Profession	-	Businessman
Marital Status	-	Single
Peculiarities	-	Fairly heavy beard, wears small black mustache.
Languages	-	German, Portuguese, English, and some French.

Handwriting specimens previously taken from VON HEYER have been submitted to the Bureau.

VERA KORENE

VERA KORENE is carried as a subject in the CKL case because letters which were addressed to her from Europe bore similarities to letters coming to ALBRECHT ENGELS. A letter of March 12, 1942 from "LEO" to "Mlle. VERA KORENE, Hotel Argentina, Rio de Janeiro," bears German censorship marks but had been removed from its original envelope and forwarded in a fresh envelope by Mrs. S. G. RENDEL, 19 Avenida Secretan Lausanne, Switzerland. On the letter Mrs. RENDEL had written a note stating that any reply should be sent to her. In the letter the writer stated that he had heard from the addressee that the addressee's parents are well and he expressed the hope that he would be able to receive news of her by "this way, the only good way at the moment." It is thought that KORENE is at the present time in the United States.

As stated above, LORENZ denied that he was responsible for the LAURA messages although he freely admitted he was known as LAURA. He insisted that he was able to give no explanation for these messages. He denied that he ever had requested a new key or in fact that he had ever used a code. LORENZ also denied any knowledge as to the identity of DIEGO or of EMMA.

LORENZ either is, or pretended to be, extremely stupid.

LORENZ was born on January 11, 1915 at Esperke Hanover, Germany. His father was HEINRICH L., and his mother was ELSA HANEBUTH. Both resided at Esperke, Germany. LORENZ attended public school in Germany until he went to sea in the merchant marine at the age of sixteen. He advised that he has a license as a chief mate in the German merchant marine although he has usually shipped as a third officer. LORENZ is described as follows:

Height	5' 10"
Weight	185 lbs.
Build	Stocky
Hair	Dark brown, wavy, receding
Eyes	Hazel
Complexion	Medium dark
Marital status	Single
Occupation	Seaman
Relatives	None but his parents, who reside in Esperke Hanover, Germany
Peculiarities	Small black moustache; smokes cigars; wears a bloodstone ring on third finger of right hand; beard very heavy for a German.

Handwriting specimens of LORENZ were obtained and forwarded to the Bureau.

JOFFRE MAGALHAES

JOFFRE MAGALHAES was one of the few agents hired by ENGELS, himself. ENGELS said that he paid MAGALHAES twelve contos and loaned him thirty in order that MAGALHAES could go to Recife and set up a reporting organization there. MAGALHAES spent about a month in Recife and at no time transmitted any information of value to ENGELS. MAGALHAES also worked for JANOS SALAMON and was in contact with ELLEMER NAGY. MAGALHAES advised that he had been in contact with ELLEMER NAGY, MOCSAN SANDOR and JANOS SALAMON. However, he denied that he ever did any work for these individuals although he knew they were attempting to operate an espionage service. He also admitted that he was in contact on one occasion with RUDOLF KIRHORN although this contact was limited to one meeting at which he put KIRHORN in contact with ELLEMER NAGY. MAGALHAES was also in contact with VON HEYER, whom he saw in VON HEYER'S office on one occasion and had a drink with him on one other occasion. He saw ENGELS on two or three occasions and received forty-three contos from ENGELS to be used in his business which he was to set up in Recife. MAGALHAES stated that ENGELS gave him some prepared ink and a simple code. MAGALHAES denied ever having used either of these articles and has forgotten entirely about how the code worked. The agreement with ENGELS was that MAGALHAES was to forward him navigation and aviation information from Recife, but after spending the month of November, 1941 in Recife he returned to Rio de Janeiro.

With regard to the ink furnished to MAGALHAES by ENGELS, this was made up of four ingredients, one a small bottle of bluish liquid, another a small container of chalklike powder, another a small container of a whitish colored liquid, and alcohol. The ink was made up of one-fourth part powder, one-fourth part blue liquid, one-fourth white liquid, and one-fourth part alcohol. The ingredients were mixed together and a steel pointed pen was used to write the message. MAGALHAES denied that he knew the bath for this ink, but stated if he recalls correctly no bath was necessary. MAGALHAES also stated that he may be a little vague on the details of the ingredients for the ink, he is not sure any longer of these ingredients.

With regard to a developer, MAGALHAES said that he had two liquids, both of which looked like water. The two liquids were mixed together in equal parts and the paper was swabbed with the mixture. The message would appear after the first application of the liquid. MAGALHAES denied any knowledge as to the chemical composition of the developer. MAGALHAES stated that he never furnished any information to ENGELS or VON HEYER.

MAGALHAES is described as follows:

Age	28, born April 3, 1915, in Ibia Minas
Height	5' 9"
Weight	165 lbs.
Build	Stocky
Hair	Dark brown
Eyes	Hazel
Complexion	Dark
Features	Regular
Citizenship	Brazilian
Marital status	- Single
Relatives	Two brothers, DOPHILIN and JOSE, both still in grade school Father, ALFREDO JOSE DOS SANTOS, Mother, MARIE MAGALHAES
Occupation	Mechanic, former police officer
Education	High school
Languages	Portuguese, some Spanish

Specimens of the handwriting of MAGALHAES have been transmitted previously to the Bureau.

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HANS MUTH

HANS MUTH came to Brazil in 1927 as a chief engineer for the Telefunken Company. In 1934 he became a professor in the Brazilian Army Technical School. He has been a technical consultant for the Brazilian Army and Navy officials. He is thought to be an expert radio technician and engineer of unusual ability. MUTH built most of the radio transmitters used by all the clandestine radio stations in Brazil. MUTH freely admits building these stations but denied that he had any contact with any of the actual espionage work. In fact, MUTH denied that he had ever seen any of the espionage agents with the exception of SIEGFRIED BECKER, whom he first saw in August of September of 1940. According to MUTH, the custom whereby he built these radio transmitters was that his old friend and business associate, BENNO SOBISCH, deceased, would come to him and ask him to build a transmitter. MUTH would then build a transmitter and deliver it to SOBISCH. MUTH built a forty watt transmitter in September of 1940 for BECKER, who was using the name CLON and was carrying an Argentine passport. MUTH denied having any information as to the eventual destination of this transmitter. He is of the impression that it went to Sao Paulo originally. MUTH also built two transmitters which were sent back to Germany on German ships. MUTH built a transmitter for ENGELS, KEMPTER and SCHLEGEL. It is not thought that MUTH had any connection other than as a technician with the radio groups.

MUTH was interrogated with a view toward learning if he knew anything about the tactical use of communication stations and also if MUTH would discuss this knowledge if he had any. The limited technical knowledge of the writer on the question of the tactical use of ultra shortwave and ultra long wave radio transmission and the tactical use of communication stations did not enable him to exhaust MUTH but it was learned that MUTH'S information in the field of radio, including the tactical use of radio, is very extensive. Major THOMAS RIDGE, of the office of the Naval Attache, has been informed that MUTH'S information in this field is extensive and has indicated that he may desire to discuss this matter with MUTH. MUTH was born on January 11, 1894 at Querfurt Turingia, Germany. His father was JOHANNES and his mother was MARIE IFLAND. MUTH entered the university at Halle Andersaale at the age of fourteen. (This university is also known as Wittenburg University). He later went to a Berlin University. He is a competent zoologist, biologist and physicist.

as well as an engineer. On August 2, 1914 MUTH volunteered for the German Army and was attached to the 20th Infantry Regiment in Wittenburg. He won the Iron Cross in Serbia in November of 1914. In March of 1915 he was made a lieutenant and in 1917 he left the infantry, transferred to aviation for a short time, and then finished his service in the war as a chief of communications for the 15th Infantry Division. MUTH worked in Germany for Telefunken from March of 1920 until he came to Brazil in 1927. MUTH stated that he has travelled rather extensively, almost always on the business of the Telefunken Company. However, most of his travelling has been done in South America. He has made many trips to Buenos Aires. The last time MUTH was in Germany was in 1937. He returned to Germany by way of the United States but advised that he was only in the United States for a very short period, about three or four days, which he spent in New York, living at the Commodore Hotel. MUTH denied that he had any contacts whatever of an espionage or any nature in the United States. While he was in Germany in 1937 MUTH had an opportunity to observe the radio equipment which was being sold to the Russian Government by the German Government. MUTH inspected this equipment and gave the impression that he knew a great deal about it.

The following is the personal description of MUTH:

Age	49
Height	5' 11"
Weight	170 lbs.
Hair	Dark blond or light brown
Eyes	Blue, wears glasses
Complexion	Fair
Peculiarities	Very pleasant expression and a timid manner
Education	Berlin university
Occupation	Engineer, zoologist, biologist, physicist
Relatives	Wife, <u>HILDEGARDE KARVET</u> , One daughter, <u>ILSA</u> , Brazilian citizen, fifteen years of age
Nationality	Brazilian (dual nationality).

JOBST RAVEN

It appears that JOBST RAVEN was one of the most active and most successful of all the Wirtschaft Dienst operators. Much of his activity seems to have taken place in Europe.

RAVEN recruited ENGELS, VON HEYER, EDWARD ARNOLD and tried to recruit MAX WOLFGANG KLEE. He has been identified very closely with ERICH LEONHART IMMER, also attached to the Wirtschaftdienst and like RAVEN, an officer in the German Army. (It will be recalled that MEYER CLASEN and EDWARD ARNOLD were IMMER agents). He was also connected with the Uebeles of CIT.

VON HEYER has refused to admit any espionage connection with RAVEN before the latter recruited him in Lisbon in the early spring of 1941. However, there is some indication that RAVEN really procured VON HEYER'S assistance when he was in Brazil in June, 1939.

VON HEYER admitted that he was very well acquainted with RAVEN in the "old days" in Brazil. He became acquainted with RAVEN when the latter was a shipping clerk with Bremer Lloyd in Santos, Brazil and he was an employee of the Cia. Paulista. This was about 1926 or 1927. At one time VON HEYER shared an apartment with RAVEN and they were very good friends.

About 1930, RAVEN married and went to live in Joinville, and VON HEYER more or less lost contact with him. However, when RAVEN was returning to Germany in 1938, he contacted VON HEYER in Rio de Janeiro and told him he had liquidated his business and was returning to Germany permanently.

In the middle of 1939, RAVEN again passed through Rio and met VON HEYER. He told VON HEYER that he was on a furlough from the army and that he had returned to liquidate some of his business in Santa Catarina. It is VON HEYER'S recollection that RAVEN left Rio permanently in about July of 1939. RAVEN told VON HEYER that he had returned to the army but he said nothing about an intelligence service or about being attached to the Wirtschaftdienst. He only said that he expected to be made a captain upon his return from furlough.

Upon being pressed, VON HEYER admitted that looking back, it was quite reasonable to suppose that RAVEN had actually returned to Brazil looking for agents.

VON HEYER saw RAVEN for the last time in Lisbon, Portugal, late in May of 1941 when, according to VON HEYER, he was recruited as an assistant of ENGELS. Details concerning this recruitment are set out in the statement of VON HEYER.

ALBRECHT GUSTAV ENGELS has advised that he knew RAVEN and the RAVEN family when both were in Santa Catarina in Joinville. In 1938, ENGELS heard that RAVEN had returned to Germany and had re-entered the German Army. ENGELS denied that he ever knew RAVEN well.

Just before ENGELS left Genoa, Italy in September of 1939, he was recruited by RAVEN. Details of this contact are set out in the recruitment statement of ENGELS. Briefly, ENGELS agreed to work for RAVEN originally as an economic observer. Later the scope of his activities broadened. It seems that both BECKER and IMMER were RAVEN'S emissaries.

RAVEN is also connected with the UEBELE family, of which ULI and OTTO are deeply involved in the case entitled Radio CIT, JOSEF STARZICZNY, with aliases, et al. According to OTTO UEBELE, RAVEN married a very favorite governess of the UEBELE children and for this reason became sort of a privileged friend of the family. Later he was employed in the firm of Theodore Wille. However, as a result of a disagreement, OTTO UEBELE fired RAVEN from the firm and since that time, relations between RAVEN and the UEBELES have not been good. OTTO UEBELE saw RAVEN in Berlin on one occasion in the early part of 1939, but barely exchanged greetings with him. OTTO UEBELE denied that he was recruited by RAVEN.

EDWARD ARNOLD was a personal friend of VON HEYER. Late in 1939, ARNOLD was making a trip to Germany. He informed VON HEYER of it and HEYER suggested that ARNOLD look up RAVEN. HEYER advised ARNOLD, according to the statements of both, that RAVEN might be interesting commercially to both HEYER and ARNOLD and might prove of great assistance in the securing of commitments from German firms doing business in South America. However, when ARNOLD arrived in Berlin, he was greeted most cordially by RAVEN and persuaded to assist RAVEN by furnishing him information of an espionage nature.

MAX WOLFGANG KLEE, a German-Brazilian business man in Sao Paulo, Santos and Rio, was an old friend of RAVEN. It will be recalled that KLEE was the joint owner with one GOODMAN of post office box 590 in Rio de Janeiro at which box ENGELS received reports from German espionage agents in the United States. KLEE advised that he met RAVEN in Santos around 1927 or 1928. He was friendly with RAVEN. Later he lost touch with RAVEN until 1938 when RAVEN passed through Sao Paulo on his way to Germany. At this time, RAVEN stated he was returning to Germany, probably to live permanently. Around May or June of 1939, RAVEN again looked KLEE up in Sao Paulo and told him he might be interested in going into business with him later, although he was returning at that time to Brazil for the purpose of

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liquidating some business he had. RAVEN asked KLEE if he would furnish him with information about industrial developments in Brazil. The request was general, and casually made. Just as casually, KLEE agreed that he would. KLEE advised that he supposed at the time RAVEN made the request, it was made with the idea in mind that at some later date, he and RAVEN would go into business together and RAVEN would like to keep posted on industrial developments during his absence. RAVEN'S general request was never followed up, and KLEE did not furnish any information to him. However, they exchanged addresses. KLEE stated that RAVEN'S address, as he recalls it, was "Major JOBST RAVEN, Steiglitz, Germany."

In connection with the use of Box 590 in Rio, ENGELS has stated that he asked KLEE'S permission to use this box. He has also stated that he was given KLEE'S name by RAVEN. However, KLEE stated that at the time RAVEN was in Sao Paulo, he, KLEE, did not have access to Box 590.

No reliable description of RAVEN has been obtained to date. The best is thought to be that received from EDWARD ARNOLD, as follows:

Name	JOBST RAVEN
Age	45-48
Height	5' 9"
Weight	170
Hair	Fair
Complexion	Fair
Eyes	Blue
Features	Regular
Teeth	Good
Peculiarities	Several scars about the mouth and chin; long narrow face
Languages	German and Portuguese.

At one time, RAVEN had the following address, "Berlin, Lichterfelde Carstenstrasse."

ARNOLD also advised that RAVEN has an office on the first floor front at the Tirpitzufer, an old building, some three or four stories high, which houses the Wirtschaft section of O.K.W. RAVEN shared an office with another individual, unidentified, and was just across the hall from his chief, Dr. ERNST BLOCH.

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ERNST RAMUZ, alias Ernst Robert Mathies

ERNST RAMUZ was the radio operator for ENGELS and the CEL group. He was instructed in radio and in Morse Code by BENNO SOBISCH who really supervised the installation of Station CEL. RAMUZ arrived in Rio from Joinville, Brazil about the first of May in 1941.

For many years, RAMUZ was shop foreman for the Empresa Electria Sul Brasileira at Joinville, a company in which ENGELS was a dominating figure. He was brought from Joinville by ENGELS for the purpose of running the station. He lived at Rua Chaves Faria 84, for a time but later moved his station to Jacarep Agua, a suburban section of Rio. At about the time of the arrest of the other CEL subjects, RAMUZ, together with CARLOS MAYER and KURT WEINGARTNER, moved the set to Rua Couto da Penha 526. The set was found at this address.

After the arrest of most of the CEL subjects, RAMUZ made some ineffectual efforts to keep contact with Germany. Two messages, those of May 1 and May 5, 1942, signed LAURO and EMMA respectively. That of May 1 to Germany and that of May 5 from Germany, were the only messages intercepted. RAMUZ denied sending the one or receiving the other. He denied that anyone else used his station. However, he identified LAURO as being identical with HEINZ LORENZ, a former German Embassy clerk. There is very little doubt that LORENZ and RAMUZ were responsible for these two messages. The fact that BOHNY left LORENZ fifty contos (\$2500) to continue the work and the radio technician handling the intercepts reported that the operator who had sent the CEL messages was again operating seem conclusive on the point. However, there is no indication that either RAMUZ or LORENZ is disposed to change his story. RAMUZ seems to have worked only as an operator. He received about forty contos (\$2,000) as payment from ENGELS and he received another three contos from BOHNY through LORENZ.

RAMUZ admitted knowing KURT WEINGARTNER, CARLOS MAYER, HEINZ LORENZ, RUDOLF EHRHORN, BENNO SOBISCH, HERBERT VON HEYER and ALBRECHT ENGELS. He denied any idea of the identity of DIEGO.

RAMUZ stated that his father's name was MATHEIS, but that inasmuch as his parents were not married until after his birth he used the name "RAMUZ" as his real name.

RAMUZ was born at Dusseldorf on December 25, 1893. His mother was LYDIA HERMINIA RAMUZ MATHEIS. His father was AUGUST MATHEIS. He went to "Middleschool" in Dusseldorf. In October, 1914 he entered the German Army. He fought until 1918 and left as a

sergeant. He then went to Switzerland where he married STEFFANIE NESTLEBUSCH. He has two children, WALTER AUGUST, age twenty-two, and ISALDE, age sixteen.

Age	50
Height	5' 7"
Weight	140 lbs.
Build	Stocky
Hair	Dark, thin, very receding, somewhat gray
Eyes	Hazel, horn rimmed glasses
Nose	Very broad
Teeth	Very bad
Languages	German, Portuguese

ROBERT REIS

It is thought that ROBERT REIS, brother of WILHELM REIS, may have been a CEL AGENT in the United States. WILHELM REIS has advised that ROBERT was in Brazil in 1940. WILHELM maintained that ROBERT REIS was in Brazil for the dual purpose of recuperating from an automobile accident and the opening of a fine jewel cutting business. ROBERT apparently came to Brazil early in 1940, and left in about September of 1940. According to WILHELM REIS, ROBERT did not like Brazil and although business prospects in Rio de Janeiro were good, ROBERT REIS returned to the United States, which return resulted in a considerable loss of money to WILHELM. WILHELM further stated that ROBERT has worked as a diamond cutter and with fine stones in the United States for several years. WILHELM REIS maintained that he, himself, did not have any contact with the CEL espionage group and insisted that he was positive ROBERT REIS did not have any such connection. The last address of ROBERT REIS which WILHELM knew was in the 3800 block of 65th Street, Chicago, Illinois. There is some indication that ROBERT REIS may have been living in Philadelphia, Pennsylvania.

WILHELM REIS was unable to supply any data concerning ROBERT REIS which might lead to the latter's present whereabouts. ROBERT REIS was born in 1905 and is married to a Croatian. He has one child. In 1939 he suffered a severe automobile accident in Chicago, Illinois.

RADIO CEL;
ALBRECHT GUSTAV ENGELS, WAS; ETAL.

V. CEL RELATION TO DIPLOMATS

The full extent of the connection existing between ENGELS and the German diplomats is not known. To say that the connection was extensive is putting the real situation mildly. ENGELS had contact with and made the services of his station available to SIEGFRIED BECKER, HERMANN BOHNY, GUSTAV GLOCK, DIETRICH NIEBUHR, GUNTHER NIEDENFUHR, DR. CURT PRUEFER, and LUDWIG VON BOHLEN. Details concerning all these persons are found in Section III of this report.

BECKER scarcely qualifies as a diplomat, but was nevertheless in intimate contact with HERMANN BOHNY, made free use of the cable and courier facilities of the German Embassy, and upon leaving Brazil he turned his espionage agents over to ENGELS and HERMANN BOHNY. It is noted that BECKER left Brazil carrying a German diplomatic passport.

HERMANN BOHNY, as set out, was Assistant German Naval Attache at Rio de Janeiro. Although there is evidence to the contrary, ENGELS has stated that BOHNY operated quite independently of ENGELS until about the time of the arrival of JOSEPH STARZICZNY, alias NIELS CHRISTIAN CHRISTIANSEN, in Rio de Janeiro.

ENGELS claims to have begun working with BOHNY regularly and closely as a result of the efforts of BECKER. To some extent consistent with ENGELS' claim that he had no personal espionage contact with his agents, excepting JOFFRE MAGALHAES SANTOS, VON HEYER, RAMUZ, ARNOLD and IMMER, BOHNY has been made ENGELS' "whipping boy". ENGELS stated, almost every time a delicate radio message, or one difficult to explain was shown to him, that the message was a BOHNY or a BECKER message.

ENGELS stated that BOHNY had an extensive espionage organization in the north of Brazil. He stated that he supposed that BOHNY's organization was built up through the German Consulates in the cities in the north. ENGELS denied any knowledge of the details of BOHNY's organization and maintained that he had no contact with any of these agents. He stated that he merely furnished radio facilities for the transmission of material reported by BOHNY.

ENGELS described his relation with BOHNY as that of a co-manager in the operation of station CEL. Both BOHNY and ENGELS used the same code over CEL and both signed outgoing messages "ALFREDO".

As will be seen from Section XIV (FINANCIAL TRANSACTIONS) of this report, ENGELS received a total of about \$82,000 from BOHNY after the departure of ALFREDO BECKER. The bulk of this sum, together with 60,000 Argentine Pesos (approximately \$15,000)

was returned to BOHNY through GLOCK, Secretary of the German Embassy. The money was delivered to GLOCK for transmittal to BOHNY when, on March 17, 1942, ENGELS was convinced that his arrest, which took place on March 18, 1942, was imminent.

ENGELS described BOHNY as able, affable and industrious. He pointed out that BOHNY's only defect was that he was too ambitious. In this connection it is pointed out that information has been received that as a result of his excellent work in Rio de Janeiro HERMANN BOHNY received the Verdienst Kreuz.

According to ENGELS, GUSTAV GLOCK, Secretary of the German Embassy in Rio de Janeiro, never rose much above a sort of confidential "leg man". GLOCK delivered messages to ENGELS from BOHNY. ENGELS advised that GLOCK apparently coded some of the messages. GLOCK also maintained liaison between ENGELS and BOHNY from the time of BOHNY's departure to Petropolis, which occurred after the rupture of diplomatic relations between Brazil and the Axis and the time of ENGELS' arrest. ENGELS stated that most of the strictly embassy messages intercepted after January 30, 1942, were brought to him by GLOCK, for the most part already coded. It was also to GLOCK that ENGELS returned the capital of his espionage service immediately prior to his arrest.

DIETRICH NIEBUHR, German Naval Attache in Buenos Aires and Rio de Janeiro, used the cover name, "DIEGO". ENGELS stated that he received on one occasion the sum of 60,000 Argentine Pesos, which were delivered to him as coming from "DIEGO". Also the tip that JAMOS SALAMON was going to be arrested by the Recife police came from DIEGO, and a message to this effect, signed "DIEGO" is to be found in the CEL intercepts.

Moreover, an analysis of certain CEL and PYL messages leads to a conclusion that at one time, approximately the end of August, 1941, representatives of PYL, the station in Ecuador, and ENGELS all met in a conference in Buenos Aires under instructions from NIEBUHR. The analysis of messages is set out in Section XV. Here it is merely mentioned that the message sent to ALD by ENGELS dealing with a trip by ENGELS to Buenos Aires is as follows: "August 21, 1942. Diego requests visit. Air trip to Buenos Aires 24th." This message clearly indicates that DIEGO (NIEBUHR) sent for ENGELS and ENGELS responded. However, ENGELS denied that he had at any time any personal contact with DIEGO or with NIEBUHR. He denied knowing that NIEBUHR was DIEGO, although he admitted that he knew DIEGO was in charge of the espionage organization in Buenos Aires, about which organization ENGELS claimed to know nothing in detail, other than that such an organization existed. The nearest ENGELS ever came to admitting that DIEGO was NIEBUHR was his statement that it seemed entirely probable that DIEGO was NIEBUHR, in view of BOHNY's and VON BOHLEN's activities.

General GUNTHER NIEDENFUHR does not appear to have been quite as active in Rio de Janeiro as was HERMANN BOHNY. However,

that he seems to have ranked BOHNY in authority, and to have mixed in the affairs of the CEL espionage service, is indicated by several messages, in one of which GAMILLSCHEG cites the general as an authority on the propriety of his, GAMILLSCHEG's, conduct in a dispute between GAMILLSCHEG and ENGELS.

ENGELS referred to NIEDENFUHR several times as "MILLER". He referred to NIEDENFUHR as the person who had demanded a clarification of the relation existing between ENGELS and SCHLEGEL.

Moreover, some \$4,000 were borrowed from NIEDENFUHR by BOHNY to help pay the sums requested by IVAN. Some of the informational messages in the intercepts are attributed to "MILLER", ENGELS' designation of NIEDENFUHR. Finally, after the rupture of diplomatic relations between Brazil and the Axis, considerable correspondence was had by radio between MILLER and his superiors in Berlin, dealing principally with the understandable Brazilian opposition to the removal of NIEDENFUHR from Rio de Janeiro to Buenos Aires.

ENGELS stated that his personal contact with NIEDENFUHR was very limited, the direct contacts usually being handled by BOHNY.

Dr. CURT PRUEFER, German Ambassador to Brazil, apparently did not use the services of the CEL radio station directly until after the break of relations between Brazil and Germany. Then regular embassy cable correspondence between PRUEFER and his employers in Berlin was established over CEL. A review of the messages intercepted shortly after the break of relations reflects that details about the treatment afforded Germans and German interests were transmitted at length. Also a plan to color news reporting, dealing with MELLO MOURAU and a retired German Consul, was communicated. The German Ambassador also saw fit to discuss drop boxes and cover addresses. Not relying entirely on the mechanical excellence of his radio facilities, the Ambassador requested on two occasions that particular Marches should be played over the official German shortwave radio station at the conclusion of the regular news broadcast to indicate that his messages had been received and understood.

ENGELS admitted knowing PRUEFER rather well socially. He stated that he had travelled to Europe on the same boat with PRUEFER early in 1939.

ENGELS related that the only personal contact he had with the personnel of station PYL in Chile, in the operation of which station LUDWIG VON BOHLEN, German Naval and Air Attache to Chile, was extremely active, was personal contact with VON BOHLEN. The messages reflect, and ENGELS' statement confirms, the fact that VON BOHLEN came to Rio de Janeiro about the first of September, 1941. ENGELS did not admit that the principal reason for VON

BOHLEN's visit was the interview with ENGELS. ENGELS stated, however, that VON BOHLEN advised that had he, VON BOHLEN, known that ENGELS was in Buenos Aires from August 24 to September 2, 1941, he would have seen ENGELS in Buenos Aires and have saved himself the trip on to Rio de Janeiro.

ENGELS advised that he, VON BOHLEN, and BOHNY discussed the possibility of direct communication between PYL and CEL. They also discussed the forwarding of mail from PYL in Chile to ENGELS through drop boxes. The necessity of forwarding mail to Rio de Janeiro for re-transmittal to Germany was explained by ENGELS as based on the fact that the Rio ring had access to the Iati Airline direct to Europe, while all other mail had to go through Allied censors.

ENGELS stated that he forwarded considerable mail to Germany for the PYL station, and that he sent an occasional message for PYL, but that it was not a general practice to send couriers between Valparaiso, Chile and Rio de Janeiro, and that no radio inter-communication between CEL and PYL was ever achieved. ENGELS stated that it was his impression that PYL was under the management of VON BOHLEN, using the name of "BACH".

ENGELS denied any other contact with any diplomats of any government. He was specifically interrogated about any contacts that might have been had with Spanish diplomats, but denied that any such contacts had taken place.

The only other CEL subject who admitted contact with the diplomats was HEINZ LORENZ, who was really only a clerk in the German Embassy, working for BOHNY. LORENZ had nothing to say which added to the diplomatic contacts as described in detail by ENGELS, although he confirmed the contact between ENGELS and the German diplomats in Rio de Janeiro.

RADIO CEL;
ALBRECHT GUSTAV ENGELS, WAS; ETAL.

VI. CEL RELATION TO OTHER BRAZILIAN STATIONS

ENGELS maintained throughout a very lengthy interview that he had received instructions from RAVEN, BECKER, and BOHNY, as well as in the form of an occasional radio message, that the other espionage services working in Brazil were to be strictly avoided.

ENGELS said that pursuant to these instructions he avoided all contact with the other stations, and even with his own personnel to the extent to which this was possible. Nevertheless, it has been established through an analysis of the messages and interview with ENGELS and VON HEYER that these instructions were not always honored.

The CEL station had contact with stations LIR, CEL (SCHLEGEL), JOH, HTT, and CIT.

It does not appear that CEL ever had any contact with station LFS, operated by FRANK WALTER JORDAN, although ENGELS has admitted that he learned from BECKER that JORDAN was operating in Rio de Janeiro.

Nor is there any indication that there was any connection between CEL and the station 17F-54B, headed by Count EDMUND DI ROBILANT. ENGELS denied any knowledge of or contact with this organization.

The connection between ENGELS and the CEL station and the CEL sub-station (SCHLEGEL) is set out under Section III of this report. It is sufficient to state here that the relation was fairly close.

LIR

The first ENGELS statement contains an admission by ENGELS of a slight acquaintance with FEDERICO KEMPTER, chief of the LIR station. In all subsequent statements ENGELS has maintained that the first statement about KEMPTER was based upon his acquaintance with KEMPTER in jail, and that he did not know KEMPTER personally. The point of personal acquaintance with KEMPTER seems too unimportant for ENGELS to lie about. He admits knowing of KEMPTER and of making funds in the amount of 150 contos available to him. He has admitted making use of the facilities of LIR, but he maintained that personal contact between the CEL group and the KEMPTER group was only had by VON HEYER. ENGELS advised that it was the practice when CEL desired to use KEMPTER's facilities to leave the messages in free text in KEMPTER's mail box.

With regard to VON HEYER's connection with KEMPTER, VON HEYER finally admitted that he had considerable personal contact with KEMPTER, beginning with his return from Germany to Brazil around the first of July, 1941. The CEL and LIR messages in this connection are interesting. There are three or four messages treating with purely administrative matters. Then there is the message of June 10, 1941, from Germany to LIR, "Vesta, Mundlos Company, returns as our and Berlin's trusted agent from Portugal on the Brazilian steamer, BAGE, departing Lisbon 6th June. Institute cautious connection through visit at Mundlos. Vesta is Von Heyer, nickname for local firm Theodor Wille, Mundlos."

There was also a message of July 18, 1941, in which Germany asked LIR what had been discussed and arranged with VESTA and how often and where seen. On July 22, 1941, LIR sent the following message, "Koenig (Kempter) spoke with Vesta three days after arrival and day before yesterday. Picked up both times at Mundlos, etc."

There are several other messages of a similar tenor, and there are many messages which were intercepted from LIR to Germany which bear the opening statement, "From Vesta for Stein".

VON HEYER advised that KEMPTER came to the office of Theodor Wille within a short time after his return to Brazil. KEMPTER showed VON HEYER the message which instructed KEMPTER to get in contact with VON HEYER. VON HEYER advised that he and KEMPTER discussed the problems of the service and agreed that they would work together, but that they would keep personal contact to the barest minimum. In this connection they agreed that VON HEYER could leave messages in clear text for KEMPTER at KEMPTER's postoffice box, or that KEMPTER could get in touch with VON HEYER at the office of Theodor Wille and Company. VON HEYER stated that he did not call on KEMPTER at the latter's apartment more than a few times.

With regard to the use of the facilities of LIR, VON HEYER stated that the arrangement was reciprocal, but that KEMPTER never had any occasion to use the CEL transmitter because his own transmitter was more efficient than the CEL set.

VON HEYER also advised that KEMPTER was acquainted with the identity of CARLOS VON DER STEINEN, CARLOS WOLFERTZ and WALTER GRAPERTIN in Recife. VON HEYER stated that he told KEMPTER that these men were his, VON HEYER's, agents, and KEMPTER agreed not to contact them.

With regard to the two messages dated October 3 and October 5, 1941, they are as follows:

Germany to LIR, "Clippings from American newspapers received. Interesting to the extent of military, technical and economic contents. Vesta writes that you have a suitable man in the United States. Request details."

To which KEMPTER replied, "Have mentioned in conversation with Vesta that we are tired of such a man so far unproductive. Report Vesta therefore mistake."

VON HEYER stated that he may have informed Germany that KEMPTER had told him that he had an agent in the United States. However, VON HEYER denied that he was able to furnish any details about such an individual, and stated that he doubted very much that he had ever sent any such information, but that if he had, he no longer has any recollection of the circumstances or of the identity of the individual referred to by KEMPTER.

With regard to the financial transactions between ENGELS and KEMPTER, ENGELS advised that he paid to KEMPTER through a messenger provided by BOHNY the sum of 150 contos..

With regard to the messages in the CEL intercepts which referred to KEMPTER as a "pain in the head" ENGELS advised that BECKER on one occasion after having some contact with KEMPTER made some reference to him in a message to Germany, and described him as "a man who looks as if he always has a headache."

None of the other CEL subjects has admitted having any contact with FEDERICO KEMPTER.

CIT

Perhaps the most complicated of all relations between ENGELS and any of the other stations was that between CEL and CIT, of which JOSEPH STARZICZNY is the most prominent subject. ENGELS advised that he and BOHNY were both acquainted with Major OTTO UEBELE, alias Kuntze, nominal head of CIT. Moreover, BOHNY, according to stories from STARZICZNY and ENGELS, was in charge of their respective organizations, or at least was a close collaborator. STARZICZNY has stated that ULE and OTTO UEBELE both gave information to BOHNY which was subsequently transmitted over station CEL.

When STARZICZNY arrived in Rio de Janeiro, he met HERMANN BOHNY. BOHNY called ENGELS in and asked him to orient STARZICZNY in his work. ENGELS and BOHNY undertook to control STARZICZNY, and when they failed in this they attempted to arrange the recall of STARZICZNY to Germany or his transfer to the United States.

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ENGELS explains the text of the radio message which was never sent, copy of the original of which is on file at the Bureau among the STARZICZNY documents which message discusses the relation of STARZICZNY to ENGELS and BOHNY, by stating that all he was trying to do with regard to STARZICZNY was to avoid the existence of duplicate organizations.

ENGELS acknowledged a limited personal acquaintance with STARZICZNY for whom he expressed complete contempt. He stated, however, that after the first or second time he saw STARZICZNY he made a practice of avoiding him..

ENGELS also referred to a radio message from Germany which apparently does not figure in the intercepts. This message, according to ENGELS, was one which he received from Germany about March 15, 1942, which ordered him to pay 300 contos to STARZICZNY. It was while trying to comply with the instructions set forth in this message that ENGELS learned of STARZICZNY's arrest and began to realize the imminence of his own arrest.

Perhaps the most interesting message which CEL sent for STARZICZNY was the following: "Lucas (Starziczny) informed Beh (Bohny) that his employers (the Uebeles) may have great amounts of fuel oil to sell. Beh refers to the supply of the headquarters staff on hand and requests instruction whether he can purchase it."

ENGELS advised that he has some recollection of having sent this message at the instance of BOHNY, but that he placed no credence in the contents of the message. He denied that he had any knowledge whatever of the details of the plan.

It does not appear from the intercepts that more than four or five CIT messages were sent by CEL.

HERBERT VON HEYER and all the other CEL subjects have denied any acquaintance with CHRISTIANSEN.

JOH

OTHMAR GAMILLSCHEG was the chief agent for radio station JOH.

For the purposes of this section it is sufficient to state that some thirty messages were sent and received by CEL for GAMILLSCHEG.

GAMILLSCHEG handled all matters pertaining to his organization through ENGELS and VON HEYER. ENGELS stated both to the writer and to the police that he was acquainted with OTHMAR GAMILLSCHEG, cover name "Grillo." ENGELS advised that he considered GAMILLSCHEG to be

irresponsible and a person in whom he placed no confidence. GAMILLSCHEG has admitted knowing both VON HEYER and ENGELS, and VON HEYER has admitted knowing GAMILLSCHEG.

Apparently GAMILLSCHEG made himself thoroughly objectionable to both VON HEYER and ENGELS. He relied upon them for radio facilities and for secret inks. On one occasion he asserted his authority as a major in the German Army, and complained of both VON HEYER and ENGELS. He became acquainted with ENGELS through General NIEDENFUHR of the German Embassy.

On one occasion VON HEYER and ENGELS delivered Moritz ink, already prepared, to GAMILLSCHEG. On another occasion GAMILLSCHEG turned over a copy of a book to ENGELS for the purpose of having ENGELS insert in the book certain micro-photographic messages. This ENGELS did. The book was sent by GAMILLSCHEG to Germany by way of a GAMILLSCHEG courier, MESQUITA ~~DOS~~ SANTOS.

HTT

The only contacts known to have existed between JANOS SALAMON and MOCSAN SANDOR of the HTT group and ENGELS is that both groups employed both ELLEMER NAGY and JOFFRE MAGALHAES SANTOS.

The original \$15,000 which Germany sent to SALAMON for the erection of SALAMON's station were delivered by courier to ENGELS and delivered by ENGELS to MOCSAN SANDOR.

VON HEYER maintained that he had never heard of MOCSAN SANDOR and had never heard of JANOS SALAMON until MAGALHAES told him about SALAMON.

A review of the CEL messages reflects that information concerning SALAMON's impending arrest and his arrest was transmitted by ENGELS to Germany.

VII. CEL RELATION TO OTHER SOUTH AMERICAN STATIONS

The other CEL agents interviewed have all denied contact with any espionage organizations or stations outside of Brazil.

ENGELS has admitted having contact with BIEBEL, alias Eduardo, the German agent in charge of espionage matters in Quito, Ecuador, whom he met in Buenos Aires, with Station MAX in Mexico, where he met VON SCHLEBRUGGE and GEORGE WICOLLAUS, with Station PYL in Chile, and with DIEGO, who was in charge of German espionage activities in Buenos Aires.

BIEBEL, alias Eduardo

ENGELS advised that on August 24, 1941, he made a trip to Buenos Aires to conduct certain business for the A. E. C. When BECKER learned that ENGELS was making this trip he told him that he too had intended going to Buenos Aires in order to contact there an agent whom he was expecting from Quito, Ecuador. BECKER instructed ENGELS to transact his business in Buenos Aires with BIEBEL and to save him the trip. ENGELS carried a code to Buenos Aires to be given to BIEBEL. ENGELS had been instructed by BECKER that he would contact BIEBEL by finding him in the bar of the Plaza Hotel in Buenos Aires at either five or six o'clock on a certain day, which day ENGELS no longer recalls. He advised that BECKER merely told him to look for a man in the bar reading Life magazine. He should sit at an adjoining table and greet the man, "Buenos dias". If the man responded "Buenos dias, Alfredo" he should give him the code with the instructions in the use of the code. ENGELS went to the Plaza Hotel bar, met BIEBEL, as instructed.

ENGELS had a conversation of thirty minutes or a half hour's duration with BIEBEL in the course of which they discussed the difficulties of operating a radio station. ENGELS delivered the code to BIEBEL and gave him instructions on how it was to be used. This is the same type of code which was used by ENGELS in the early days of the operation of his own station. Details concerning this code are set out in Section X of this report. Subsequently BIEBEL was the subject matter of a message from CEL to Germany on October 10, 1941, advising that BIEBEL had been given the cover name of "Eduardo" and had been given the code word, "Nordamerikerierung".

ENGELS advised that this was the extent of his contact with BIEBEL. He knew that BIEBEL was in contact with "Diego" and learned from BECKER that BIEBEL was to return from Buenos Aires to set up a station and service in Quito, Ecuador. ENGELS claimed that

BIEBEL was the only individual from Ecuador with whom he was acquainted. He specifically denied knowing HEINZ LOESCHNER. ENGELS described BIEBEL as the typical South American descendent of Germans. He spoke good German and Spanish, but his German had a distinct Spanish accent. His age in the early thirties, he was short, dark, and a business man type. He also advised that he would not recognize BIEBEL again if he saw him on the street.

A report in a case entitled, "BIEBEL, Brazil - ESPIONAGE-G", subject of which is thought to be identical with BIEBEL, will be submitted in the near future. ENGELS advised that this was his only contact with BIEBEL, and that BECKER never mentioned BIEBEL again.

STATION MAX - MEXICO

In the spring of 1940 ENGELS went on a business trip for the A. E. G. Company, which trip took him to Peru and Mexico. ENGELS advised that on this trip he spent the greatest portion of his time in Mexico. During considerable time ENGELS denied that he was ever in personal contact with MAX and denied that he knew the identity of GEORGE NICHOLAUS and FRIEDERICH KARL VON SCHLEBRUGGE. ENGELS finally admitted that he thought in June of 1940 while in Mexico on business he delivered a letter from IMMER to GEORGE NICHOLAUS who was the chief operator of Station MAX in Mexico. ENGELS stated that his contact with the personnel of Station MAX was strictly limited to contact with SCHLEBRUGGE and NICHOLAUS. He advised that he met these two individuals either in the home of SCHLEBRUGGE on three or four occasions. He advised that they discussed all the difficulties that they encountered in the operation of a station, and in general talked "shop". NICHOLAUS advised ENGELS that sometime later he would be sending correspondence to ENGELS to be forwarded to Germany. They also discussed the possibility of radio communication between MAX in Mexico and a station of ENGELS' if he should ever get a station in operation, but such intercommunication was never achieved.

They also discussed ERICH LEONHART IMMER. SCHLEBRUGGE stated that he regarded IMMER as entirely incompetent to operate an espionage service, and that he, SCHLEBRUGGE, was thinking about coming to Rio de Janeiro to straighten IMMER out and take over the operation of his service. ENGELS said to SCHLEBRUGGE that the police in Rio de Janeiro would have SCHLEBRUGGE arrested in ten days as a German spy if he came to Rio de Janeiro. ENGELS

stated that he discussed with SCHLEBRUGGE the possibility that he, ENGELS, would return permanently to Berlin for the A. E. G., and that if he did, some disposition would have to be made of ENGELS' service. Both NICHOLAUS and SCHLEBRUGGE, according to ENGELS were working for the Wirtschaftsdienst.

There was considerable indication that a punkt-making apparatus was shown to ENGELS by SCHLEBRUGGE and NICHOLAUS at the time of ENGELS' visit to Mexico. ENGELS denied that this was the case. He claimed that he was in Mexico in the spring and summer of 1940, and that as nearly as he could reconstruct the picture from information received from Germany, SCHLEBRUGGE and NICHOLAUS did not have a punkt-making apparatus until the end of 1940 or the beginning of 1941. ENGELS based this statement on the fact that about the beginning of 1941 he received a communication from Germany advising him that he must take care with the messages received from MAX because they contained "dots" or "punkts". ENGELS advised that this instruction was necessary because he previously had followed the custom of taking letters received from MAX and putting them in a separate envelope. However, with regard to the letters carrying "dots", many times the dots were in the envelope and ENGELS had to be sure to forward the letter in the envelope in which he received it from MAX. ENGELS advised that the reason MAX needed a punkt machine when he, ENGELS, did not was that much of MAX's mail was censored either in Trinidad or Bermuda, while none of ENGELS' mail was subject to such censorship until after the Lati line was closed.

ENGELS recalled perfectly the postoffice box 1006 of MAX in Mexico City. However, he advised that MAX had much more occasion to use ENGELS' facilities than ENGELS had to use the box of MAX. With regard to telegraphic communications between MAX and ENGELS the latter denied that there was any such thing as a regular telegraphic communication between the two. Shortly after his return to Rio de Janeiro from Mexico City, ENGELS sent a wire to NICHOLAUS, and later in one of the messages he suggests to Germany that it may be possible to send telegrams to MAX in care of KURT SCHNEEVOIGHT, official of the A. E. G. Company in Mexico City. Germany did not give permission for this telegraphic communication. There is also a cable of January 16, 1942, beginning with the statement, "Since it is now impossible to notify MAX by telegraph, etc."

ENGELS advised that there was only one courier ever used between him and MAX in Mexico. This was on December 23rd, when ENGELS sent a message to Germany advising that the courier with

ink material was on the way to MAX but had been held up in Santiago. ENGELS advised that this was a BOHNY courier; that the material being carried was secret ink material, and that this was the only case in which a courier to MAX was used by ENGELS. With regard to the portion of this message which sets forth "to this end requesting statement as to MAX's place of residence" ENGELS advised that he is unable to explain this portion of the message but that he thought it meant that the original courier was to deliver the material for MAX to the German Embassy in Mexico City, and that the arrangements which he would try to make with VON BOHLEN to forward the material on to MAX by another courier would have to include an address at which MAX could receive the material because the second courier would not be able to go to the German Embassy. With regard to the radio contact between MAX and CEL, ENGELS denied that this contact had ever been established. On September 23, 1941 the following message was intercepted, "TXL 109 Mexico 12 19 1430 LC for ENGELS Rio de Janeiro succeeded in locating Ernesto. Waiting for your information. Max." ENGELS was unable to give any explanation whatever for this message. "Ernesto is thought to be the radio station in Germany."

With regard to the quantity of correspondence between ENGELS and MAX, ENGELS stated that he handled relatively little, although he could not estimate how much per month. However, a cable on January 16, 1942 from CEL to Germany is as follows: "Since it is now impossible to notify MAX by telegraph and MAX addressed his letters intended for here with the wrong address advise that the postoffice must be 590. Furthermore request another cover address since all six letters addressed to Box 1006 have not arrived."

The above message does not give any indication of over what period of time the six letters were sent to Box 1006. ENGELS could not supply any information on this point, nor was he able to advise how he knew that the six letters addressed to MAX at 1006 had not arrived.

With reference to the quality of information, a message sent on February 20, 1942 by ENGELS to Germany is as follows: "MAX reports that currently transports with troops and airplanes are departing from San Diego and San Pedro for Hawaii and the South Pacific."

ENGELS specifically denied knowing THIELE and CARLOS LITTLES-DORF, personnel of the MAX station. ENGELS furnished the following descriptions of SCHLEBRUGGE and GEORGE NICHOLAUS:

Name
Age

FREDERICH KARL VON SCHLEBRUGGE
About 50

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Height	6'1"
Build	Thin
Hair	Blond
Complexion	Fair
Peculiarities	An elegant person from the standpoint of dress and speech, used a monocle, might be taken for a military man.

Name	GEORGE NICHOLAUS, alias MAX
Age	40 - 45
Height	About 5'10"
Build	Not recalled
Peculiarities	ENGELS remembered him as being a Latin type.

With regard to KURT SCHNEEVOIGHT, ENGELS stated that SCHNEEVOIGHT was the manager of the A. E. G. in Mexico City. According to ENGELS, SCHNEEVOIGHT was certainly not the type of individual who could be trusted with any of the affairs of an espionage service, and for this reason SCHNEEVOIGHT was never taken into ENGELS' confidence. The only contact which SCHNEEVOIGHT had, and the only mention that was made of him to ENGELS' knowledge was that about the middle of January, 1942, when intra-continental cable communication between embassies of Axis powers was prohibited, and ENGELS desired to communicate with MAX in Mexico, it occurred to him that he might communicate with MAX through SCHNEEVOIGHT. Germany refused this permission and ENGELS paid no more attention to the matter.

However, a review of the messages reflects that the radio correspondence pertaining to SCHNEEVOIGHT took place in July of 1941. The messages are as follows:

July 21, 1941, CEL to Germany. "Please advise MAX Mexico that mail coming to SCHNEEVOIGHT addressed to VOSQUEZ relayed via Chile address known to him. Joao Pessoa new infantry regiment."

July 24, 1941, Germany to CEL. "SCHNEEVOIGHT not known to LEONARDO or STEIN."

July 25, 1941, CEL to Germany. "SCHNEEVOIGHT known to MAX request information of MAX."

ENGELS stated that this is approximately the correspondence

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that took place between him and Germany with regard to communicating with MAX by telegraph via SCHNEEVOIGHT. However, he claims to have no recollection whatever of the occurrence of such cable correspondence at this time. Moreover, he stated that he is unable to associate SCHNEEVOIGHT with the VASQUEZ address in Chile. Mention is made of the fact that "VASQUEZ" was an address used by the PYL agents in Chile.

RADIO STATION PYL, CHILE

ENGELS had a meeting with LUDWIG VON BOHLEN in the fall of 1941. VON BOHLEN was German Naval and Air Attache in Chile. The meeting with VON BOHLEN took place in Rio de Janeiro. At this meeting VON BOHLEN informed ENGELS that if he had known that ENGELS was in Buenos Aires so recently he would have saved himself a trip to Rio de Janeiro. ENGELS understood from this observation that VON BOHLEN's trip to Rio de Janeiro was specifically for the purpose of seeing ENGELS. ENGELS stated that his only contact with any of the PYL personnel was through VON BOHLEN. ENGELS and VON BOHLEN discussed the problems connected with the operation of an espionage service and the possibility of establishing radio connection between PYL and CEL. They also discussed some of the problems arising out of the forwarding of mail from PYL to CEL for re-transmittal by Lati Air Line to Germany. ENGELS stated that radio contact with PYL was never established, but that he received a good many letters from Chile. He refused to make an estimate of the number of letters. ENGELS claimed that the only time a courier was ever used by the PYL and CEL stations was the courier who was carrying ink material for MAX in Mexico, and who was unable to continue his journey from Chile.

There appears to be only one reference to ENGELS in the PYL messages to Germany. This message is as follows: December 8, 1941, PYL to Germany. "BACH brought address changes from ALFREDO." BACH is VON BOHLEN. ALFREDO is ENGELS.

There are also references to VON HEYER in the PYL messages. A message of July 28, 1941, Germany to PYL states, "Have BACH deliver receipt up on not possible. Recommend incident to next visit to Rio contact with HUMBERTO - G. E. - BERGMANN."

Neither ENGELS nor VON HEYER was able to give an explanation to this message, although both admitted that BACH was VON BOHLEN and HUMBERTO was VON HEYER.

On October 10, 1941, PYL sent the following message to Germany:

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"BACH to LUDWIG flight to Rio of VON TIERMANN postponed until October 22 on account of political situation Buenos Aires. Need absolute inks for U. S. A. traffic. Please instruct HULBERTO."

VON MEYER denied any knowledge or contact with anyone in Station FYL, in spite of these two messages.

DIEGO

As has been frequently stated, DIEGO is Captain DIETRICH NIEBUHR, German Naval Attache to Buenos Aires and Rio de Janeiro. He was recently declared persona non grata by the Argentine government and his return to Europe was asked by the Argentine officials. NIEBUHR returned to Europe, arriving in Portugal around the first of March, 1945.

ENGELS admitted familiarity with the name, DIEGO, but denied that he knew that DIEGO was DIETRICH NIEBUHR. ENGELS advised that he received \$30,000 in United States currency, and 30,000 Argentine pesos, early in January of 1942 from a courier who phoned ENGELS and made the delivery of the money in the door of ENGELS' home. The only thing this courier had to say to ENGELS was "Package from DIEGO."

Moreover, there was a message of August 19, 1941, from CEL to Germany advising that DIEGO requests a visit to Buenos Aires and that ALFREDO was going down to Buenos Aires on the 24th. There was also a message of September 8, 1941, which discusses ENGELS' troubles with the A. E. G. firm and mentions DIEGO. DIEGO is also mentioned in messages of the 4th and 6th of September, 1941. DIEGO is also mentioned in connection with the information transmitted by CEL to Germany on the arrest of JAMES SALAMON of the HTT group. In spite of all of these messages, ENGELS persisted in his denial of knowledge of the identity of DIEGO.

Some reason other than the mere fact that DIEGO was a diplomat must exist for ENGELS' refusal to admit that he knew DIEGO was NIEBUHR. Moreover, ENGELS was perfectly aware of the fact at the time the interview was held with him that NIEBUHR had returned to Europe. ENGELS admitted knowing the identity of the other diplomats who had returned to Germany. However, no idea as to the reason for the denial was obtained from ENGELS in spite of extremely long interrogation on the point of the real identity of DIEGO and ENGELS' contacts with him. ENGELS also denied acquaintance with

Box 11
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OTTHMAR MULLER, alias OTIS, and HANS NAPP, alias BERKO, assistants of NIEBUHR in Buenos Aires. With regard to THILO MARTENS, German, naturalized Argentine, Director of a maritime agency, 267 Avenida 25 de Mayo, Buenos Aires, who is thought to be a German espionage agent, ENGELS advised that he knew MARTENS, having met him on one occasion in Rio de Janeiro, but he denied that he had ever had any espionage contact with this individual.

VIII. ENGEL'S ACQUAINTANCE WITH AGENTS IN THE UNITED STATES

ENGELS was interviewed on an average of eight hours a day for more than two weeks. Scarcely an hour passed in which some angle of his connection with the agents of the United States was not discussed. The net result was a final admission that he knew IVAN, had heard and seen the name JOHN KROEGER, and upon it being mentioned to him, recognized the name RICHARD FRUENDT. ENGELS maintained throughout that he had no knowledge of or acquaintance with the names WILLIAM BOTTCHER or WALTER G. VOGEL. ENGELS insisted that he knew and knows absolutely nothing of the real names of the agents in the United States. He claimed that he knew no more than their cover names and recalled very little about these.

ENGELS also stated that the letters received by him from the United States bore no markings indicating secret ink writing. In the event that MORITZ ink was used, a signature beginning with M appeared in the dummy message. Otherwise ENGELS ordinarily processed all letters he received from the United States for Cito ink. ENGELS estimated that he received forty or fifty letters from the United States, all bearing secret ink messages. It is possible that he received more letters, but he supposed the total to be about fifty. The text of the dummy letters was as various as the agents sending them. Sometimes ENGELS received financial messages, sometimes letters of a personal nature, or discussions on any topic whatsoever.

Only one of the texts attracted his attention. That was one dealing at length with medical psychological subjects. ENGELS found this letter written in longhand and in a scholarly fashion quite interesting. The contents of the letter indicated to ENGELS that the writer had at least some knowledge in the field in which he wrote. ENGELS was unable to recall if he had received one or several such letters. He was also unable to recall the cover name signed to the letter which he does remember having received. As a general rule, according to ENGELS, the dummy text was not even read, and ENGELS pretended to be unable to suggest anything that might help to identify any of the writers of the letters he received from the United States. ENGELS said that there was nothing about the paper, the postmarks, the inks, the envelopes, or the stamps which he could recall. He said that there was nothing unusual about any of these things.. With regard to the places in the United States from which he received letters, ENGELS affirmed that he does not recall anything about the cities from which the letters were sent. He was sure he got letters from New York, Baltimore, and Boston. He said he may have gotten letters from Miami, Florida and New Orleans, Louisiana. With regard to return addresses, ENGELS stated that

knowing all return addresses would be fictitious he paid no attention whatsoever to them.

ENGELS claimed that he destroyed all letters and envelopes after the development of the messages, and investigation at the police department has revealed that no documents of any sort whatsoever were found in ENGELS' possession at the time of his arrest, and none has been found since.

With regard to the claim of STARZICZNY that he saw a micro-photograph in ENGELS' possession containing the names of a great quantity of ENGELS' agents, ENGELS stated that this a complete fabrication on the part of STARZICZNY, because such a micro-photograph never existed, or if it did, it was never in ENGELS' possession.

ENGELS identified the following names as having been used by agents in the United States: "ALTEN", "DICK", "JOHN FLINT", "FRED", "HARRY", "JOE", JOHN KROEGER, alias Horatio, "MARIUS", "NATHAN", "RICHARD", and "TOM".

With regard to the name "INO" ENGELS stated that this name means nothing to him, and he has no recollection of ever having received a communication from the United States signed "INO". Shown the "Ino I.T. opinion Joe has been arrested" message, ENGELS stated that the word "Ino" in the message is a mistake. ENGELS went on to say that this message was sent by him, and that he learned of the arrest of a German agent called "JOE" in the newspapers.

ENGELS said that there may have been a name or two in addition to those above set out, but he cannot recall them.

ENGELS claimed to have no recollection whatever of the volume of messages he received from a particular agent, and he made no effort to evaluate the information received. His practice was merely to develop the messages and transmit the information on to Germany. He always acknowledged to Germany the name of the agent signed to a particular message and let Germany decide about the merits of the report.

The custom with regard to agents as described by ENGELS was as follows:

Germany would advise ENGELS that he would begin to receive letters, usually in Cito ink, signed with one of the above mentioned cover names, and that he should forward such messages. The letters would begin to arrive shortly. Agents numbered their first letter

"1" and continued giving the letters consecutive numbers. The signatures would appear in the secret message.

ENGELS stated that no couriers operated between Rio de Janeiro and the United States for his organization. In this regard the files reflect that in March of 1940 ALFREDO DIENST made a trip to New York. DIENST's statement to the Sao Paulo police, made at the time of his arrest, reflects that DIENST carried a letter for ENGELS to a woman at the American Friendship Society with the message, "Everything is going well and I will soon be in the United States." ENGELS stated that he has no recollection whatever of such a message, and that he is positive that he never sent such a message. ENGELS admitted that DIENST carried a letter for him to the United States, but he has no idea, and he never had any idea of the address of such a letter. The letter referred to by DIENST in his statement to the police was given to ENGELS by MAX KLEE, and was merely handed on to DIENST by ENGELS for transportation. ENGELS stated that it is possible that there may have been two letters, but ENGELS maintained that these letters, as he recalls it, were not to have been delivered at all, but merely were to have been mailed in New York.

The Bureau has advised that the information about the woman in the American Friendship Society as reflected by DIENST's statement appears to be false, and efforts are presently being made to obtain the true facts in this connection from DIENST.

The name Baron KOHORN is completely unknown to ENGELS. DIENST's statement reflects that DIENST carried a bag to Baron KOHORN a favor for HERBERT WARSHAUER, and not for ENGELS.

ENGELS explaining his lack of acquaintance with the identity of the agents in the United States informed that strict instructions had been issued by the headquarters in Berlin that no agent was to contact any other agent without authority from Berlin. ENGELS explained that he got what was in effect official permission from IMMER to visit VON SCHLEBRUGGE and GEORGE NICHOLAUS in Mexico. BECKER ordered him to contact BIEBEL in Buenos Aires. His only contact with PYL in Chile was through LUDWIG VON BOHLEN, a diplomat. He received, or VON HEYER received, specific direction from Berlin to contact SCHLEGEL, KEMPTER, GAMILLSCHEG and STARZICZNY. Except for contact with KOCSAN SANDOR to deliver \$15,000 to SANDOR for SALAMON, he had no contact with HTT, and he had no contact whatever with LFS.

Even where he had contact with the head of a station, ENGELS claimed to have had no relation with or knowledge of the lesser agents of a station. The practice of ignoring the identity of and contact with agents according to ENGELS was carried to an extreme. He claimed that he would not even have knowledge of or have contact with his own agents or the agents of VON HEYER, except

in a few instances. The statements of the agents interviewed bear out ENGELS' contention, that it was sufficient for him that the work was done, and he did not care to know the men personally.

ENGELS advanced the opinion that Germany recruited, instructed, disciplined, contacted and paid the agents in the United States. With regard to these agents ENGELS claims to have had neither supervisory nor fiscal functions. His sole relation to the agents in the United States was simply that of a mail drop.

One difference between contacts with the other Brazilian agents and agents in the United States pointed out by ENGELS was that contact with the Brazilian agents might be casual or even accidental. Also, it might be called for by Berlin on the basis of mere convenience, whereas this could never occur with regard to agents in the United States.

ENGELS summed up his denials of acquaintance with agents in the United States by saying that there was never any necessity of any sort for such a contact, and that there were three very good reasons for not contacting them. The first was that he did not know their identities. The second was that Germany forbade such contact, and the third was that personal security demanded that the identity of the agents in the United States be ignored. Persuaded by these arguments, ENGELS neither contacted nor sought to contact the agents in the United States, excepting of course IVAN.

A careful scrutiny of the CEL intercepted messages reflects three messages which almost compel the conclusion that ENGELS knew the agents in the United States, or at least some of them. These three messages are set out as follows:

Message of December 8, 1941. "Alten writes that he has learned from a reliable source that the USA will prohibit the sending of periodicals to Europe; he requests communication concerning what periodicals are desired on that side, so that they will be ordered with care."

Another message, December 21, 1941, from Germany to ENGELS, "Write immediately as an experiment with air mail via New York, U.S.A. a letter in secret ink to the new cover address Barcelona. ..."

On December 18, 1941, ENGELS sent the following message to Germany, "As reported connection maintenance with Ivan agreed. Special tasks will be communicated to him by next air mail. ... further agreed that Ivan can entrust material to my confidential agent journeying here end of January."

ENGELS explained these three messages as follows:

With regard to the ALTEN message, ENGELS advised that there were two reasons why ALTEN would communicate with him and ask him to request Germany to get in touch with or give instructions directly to ALTEN. One reason was that the mail could be sent by way of Lati and not be subject to the rigorous censorship at Bermuda. The second reason was that ALTEN possibly knew that ENGELS had direct radio communication which ALTEN probably did not have. However, ENGELS firmly stated that he did not know ALTEN, and that this message correctly interpreted means that ALTEN wanted Germany to communicate directly with him, advising what periodicals would be needed in Europe, and there was no intention that the communication would be relayed to ALTEN by way of ENGELS. ENGELS emphasized that portion of the message, "He requests communication" as conclusive that the communication from Germany advising what periodicals would be used would be sent directly to ALTEN and not be sent to ALTEN by way of ENGELS. ENGELS emphatically denied any knowledge of how he might get in touch with ALTEN because he did not know the real name, nor did he have any idea of the address of this individual.

With regard to the second message, "Write by way of New York to Barcelona" ENGELS advised that this message must be read in connection with the date upon which it was sent, which is noted to be December 21, 1941. ENGELS advised that all this message meant was that Germany, knowing full well that the Lati Airline would soon be off, wanted ENGELS to try the efficiency of a route to Europe from Brazil to New York to Europe. Moreover, Germany wanted to try a new cover address in Barcelona. With regard to forwarding mail to Europe by way of Pan-American and the European clippers, ENGELS stated that it is entirely unnecessary that such mail be re-forwarded in New York. All that is needed is the mailing of correspondence air mail in Brazil with the European address, and it will go by way of Pan-American and the European clippers.

With regard to the IVAN message of December 18, 1941, ENGELS admitted knowing IVAN, having spent a little time with him in Rio de Janeiro in the home of BOHNY, but stated that this message of December 18 was a BOHNY transaction. ENGELS advised that the confidential agent referred to in the message was an agent of BOHNY's, and he has no idea of the identity of this individual. ENGELS advised that at no time did he ever communicate with IVAN other than on the one occasion when he met IVAN in the home of BOHNY. He stated that at one time he knew IVAN's address in New York, but has forgotten it.

With regard to JOHN KROEGER, whose name is set forth in several of the messages, ENGELS stated that he knew from VON HEYER that one

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KROEGER was supposed to have been in Rio de Janeiro, and was supposed to have been in touch with VON HEYER. ENGELS recognized the address, MAX KOAL, 225 Fulton Street, Westbury, Long Island, New York, and associated it with KROEGER. However, he stated that he had no contact with KROEGER and was ignorant of whether VON HEYER had had any contact with KROEGER. ENGELS stated that he vaguely recalled messages from KROEGER which were sent by VON HEYER.

In this connection it is pointed out that in Section IV of this report, both under the heading of VON HEYER and of KROEGER, details concerning KROEGER and his connection with VON HEYER are set forth. ENGELS had stated previously that he was aware of most of VON HEYER's work, or it is thought that ENGELS would have denied knowing anything about KROEGER.

ARTHUR HAMILTON, MISCHA GLUSKIN and one FEIGENBAUM were three contacts of ANTONIO GAMA PINTO in the United States. PINTO was an ENGELS agent. HAMILTON is known to have furnished the Pacific shipper, and to have written letters to PINTO, one of which was the subject of some fruitless cable correspondence between FYL and Germany in an effort to develop the message thought to have been on the letter. Moreover, there is a message of November 21, 1941, from CEL to Germany, "Your report 86 report Boe Hamilton. Your 91 compare our report preceding month concerning arrival material Bage via New York. Alfredo."

ENGELS stated that he had no knowledge whatever of these three. He also claimed to be completely unable to furnish any information about BOE HAMILTON. He said that he is entirely unable to give any explanation for this message of November 21, 1941, and that he has no recollection of it. ENGELS advised that ANTONIO GAMA PINTO was an agent of his, but stated that PINTO was never more than a "leg man". He brought ENGELS magazines, and on one occasion tried to teach ENGELS English, but ENGELS stated that at no time was GAMA PINTO authorized by ENGELS to recruit agents, and the question of additional agents in the United States was never discussed by ENGELS and GAMA PINTO. GAMA PINTO was described by ENGELS as a mentally unpredictable visionary, a man who could give him English lessons and buy magazines for him, but in whom he would never confide the business of the station. GAMA PINTO is not being interviewed.

With regard to RICHARD FRUENDT, ENGELS denied knowing FRUENDT or knowing anything about him. He said that he had heard the name before, but claimed to be unable to associate the name with anything

connected with the station. ENGELS said that it may be that he remembers the name of FRUENDT from having been previously interrogated about this name.

The report of Special Agent GEORGE BICKLEY, New York, New York, dated March 31, 1942, in the case entitled, "RICHARD FRIEDERICH FRUENDT, was, ETAL, ESPIONAGE-G" sets out the FRUENDT statement which advises that FRUENDT in communication with Caixa Postal 590 used the names, "FRED" and "DICK". Thus an explanation is furnished for these two names.

RUDOLF EHRHORN, WALTER GOLTERMANN, WILHELM REIS, HEINZ LORENZ, ERNST RAMUZ and HANS MUTH all denied knowing anything whatever about any of the agents in the United States. All claimed to be entirely unable to furnish any information which might lead to the identification of these unknown agents.

HERBERT VON HEYER advised that he knew the name and address, and was acquainted with the information which was furnished to him by JOHN KROEGER, alias Horatio. Details concerning this information are set out under the KROEGER and VON HEYER portions of Section IV of this report. However, VON HEYER denied knowing anything about any of the other people from whom he received letters in the United States. He advised that he gave KROEGER the name, "Horatio".

VON HEYER stated that he probably did not receive more than twelve or fifteen letters, mostly from New York and Boston, but claimed to be unable to associate any name with any town. VON HEYER also claimed to be unable to recall any text or anything about stationery, envelopes, typewriters, postmarks, paper, or stamps which might be of value in the identification of the unknown subjects in the United States who corresponded with the CEL station. VON HEYER advised that all he did was receive the letters, process them for secret ink, and transmit the messages thereon to Germany.

IX. ADMINISTRATION AND ORGANIZATION OF SERVICE

Much of what is said in this short section has previously been set out. However, in order to give a quick picture of the situation, the particular assignments of the leaders are repeated.

According to HIGGINS, the service began as a simple economic reporting service. In this phase of the work, ERICH LUDWIG, Captain in the German Army, attached to the Wirtschaftsdienst, came out from Germany to assist. Later HIGGINS appeared on the scene and with his organizing ability, converted the service into a complete espionage unit. He provided links and codes, made a microphotographing machine available and procured a radio transmitting station. HIGGINS is said by LUDWIG to have recruited some of his own staff and to have made the station available to BOLLY. To use HIGGINS' expression, HIGGINS supplied the brains and the energy for the station during its transition period and finally worked out a complete service.

In his period, BOLLY handled the agents, recruited some agents and ran the wartime agency in close cooperation with HIGGINS. He also did much of the leg work, particularly with relation to HIGGINS.

HIGGINS maintained order, supervised the operation of the station, did some of the leg work, handled finances, received the messages and decided what should go out, handled his own work as an "economic observer", took care of the coding of some messages, and microphotographing of messages if it was necessary, and kept in touch with BOLLY. HIGGINS was the real executive of the station.

BOLLY had an extensive organization along the coast and all along the coast, according to HIGGINS. Many messages in the "CML intercepts" were stated by HIGGINS to be "BOLLY messages", i.e. messages, the origins of which were unknown to HIGGINS, given him by BOLLY.

HIGGINS claimed that there was never any talk of or necessity for disciplining anyone. Germany's role in the picture, was merely that of making occasional suggestions about operations, financing the service, and accepting the work sent out.

In HIGGINS' recollection, the technical details for setting up the original radio contact with Germany were worked out by HIGGINS and HIGGINS. HIGGINS denied that he had any idea of how setting up in contact by radio with Germany would be accomplished.

MEHLS provided the radio technician and operator in the person of ERNST RUSSE.

MEHLS, statements of REICHEL and KILIAN to the contrary notwithstanding, insisted that he, and most of the personnel in the group were volunteer, patriotic Germans who did not receive any payment for their work in the service of the German Government. They did receive their expenses but MEHLS and RUSSE were the only agents who actually received a salary.

The only IL information furnished over OEL as consciously being furnished to that branch of the organization was supplied by REICHEL of JON whom it will be recalled was liberal and persistent use of OEL. According to MEHLS, REICHEL was an IL agent, but that his, MEHLS' interests were Marine and Wirtschaft matters, and that his service was devoted principally to these two sections of the O.N.T.

X. MECHANICAL AIDS TO THE CEL SERVICE

RADIO

Substation Schlegel

THEODOR FRIEDERICH SCHLEGEL is reported to have operated with two receivers and one transmitter. This transmitter was a Super Skywriter model of 100 watts. The receivers were an SX-25 Aircraft and a Defiant.

ROLF TRAUTMANN, SCHLEGEL's operator, has made the statement that the equipment of the station was installed by BENNO SOBISCH. The equipment was moved from Rio de Janeiro to the farm west of Bello Horizonte. SOBISCH and EDWARD GUSTAV UTZINGER installed it. The transmitter is presently in the hands of the police of the federal district.

CEL Equipment

BENNO SOBISCH built the transmitter which was used by the ENGELS group. In a statement by ERNST RAMUZ it is stated SOBISCH was the technician for this transmitter, and that most of the material used in the construction of it was obtained from the Telefunken Company in Rio de Janeiro.

RAMUZ advised that the transmitter was installed by him under the direction of SOBISCH at Rua Chaves Faria 84, Rio de Janeiro, but that the radio would not function at this location. It was then moved to Jacarepagua in the suburbs of Rio de Janeiro. The station was located in Jacarepagua at the time ENGELS and a large number of his assistants were apprehended. However, the station was moved by RAMUZ from Jacarepagua to Rua Conto da Penha, also in the suburbs of Rio de Janeiro, where the station was finally apprehended in the possession of RAMUZ in early June of 1942, three months after the arrest of ENGELS.

A report by J. RAMOS FREITAS, Chief of Police at Niteroi, sets forth that the examination of the ENGELS transmitter reflected that this transmitter was of home construction. Most of the parts were of Telefunken or Siemens makes. The potential of the station was 100 watts. The receiver was a Luger Skywriter SX28.

ENGELS and VON HEYER have both advised that they were in negotiation with ELLEMER NAGI, radio operator for Station HTT, for the obtaining of the HTT transmitter, after the disappearance of SALAMON, chief of HTT. The transmitter was entirely unassembled, and it does not appear that it had ever been reassembled before the arrest of the principals of CEL.

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PHOTOGRAPHIC AIDS

There was considerable indication that ENGELS had "punkt", or micro-dot photographic equipment in Rio de Janeiro. The words, "dots", "mipu", "punkt" and "point" all appear in the messages, both from and to Germany. Numerous and lengthy interviews were had with ENGELS on the subject of micro-photographs and point photography. ENGELS insisted that in spite of an analysis of the radio messages, which analysis clearly indicates that ENGELS did have point making machinery, that he did not have such machinery; that he does not know what it is, and that he had no theory about how micro-points or micro-dots are made, other than the obvious theory that the process is a photographic reduction.

ENGELS stated that with regard to the radio messages where the words, "dots", "mipu", "punkt" and "point" appear, what is meant depends upon who used the word. If Germany used the word, "dot" or its equivalent, referring to its own product, it meant a real dot or point. Where Germany used the word, "dot" referring to ENGELS' work, it meant a micro-photo reduced to one quarter of the regular micro-photo size. Where ENGELS used the word, "dot", "mipu", or "punkt", he meant his own reduction of the micro-photo. ENGELS said that he used the word, "dot" in referring to his own work to distinguish between his own greatly reduced micro-photo and the regular micro-photo. ENGELS advised that with regard to the dots which he received from Germany and from MAX in Mexico, these were extremely small and affixed to the letter with glue. ENGELS advised that there was always considerable difficulty in locating the dots. However, he stated that it was possible to know whether a letter contained the dots by looking through the letter for superfluous periods. A superfluous period indicated the presence of dots and the number of superfluous periods indicated the number of dots present in a letter.

Mention is made of the fact that JOSEPH STARZICZNY, alias Nils Christiansen, Chief of the CIT station, advised that ENGELS had in his possession a number of envelopes used to wrap razor blades and that on these envelopes ENGELS had received micro-dots. ENGELS stated that this is entirely untrue. CHRISTIANSEN is also the authority for the statement that VON HEYER was in Germany for the purpose of learning the punkt making process. Both ENGELS and VON HEYER have denied that this is true.

With regard to the manufacture of micro-dots anywhere but in Germany, ENGELS advised that he was under the impression that MAX in Mexico was using a dot making machine. ENGELS advanced the

theory that the reason he did not have dot making apparatus was that he had no use for such apparatus because his mail contact with Germany was direct by means of Lati Airline.

ENGELS did describe a very small micro-photo about one-quarter of the size of the conventional micro-photo. He stated that so far as he knows he was the first of the German agents to divide a regular microphoto into four parts. ENGELS said that after this division his "punkt" was about two millimeters by two millimeters.

ENGELS stated that he made these "punkts" as follows: He took a full page of paper and divided it into four equal parts, allowing a substantial margin down the middle of the page vertically, and across the page horizontally. He would then take his photo, develop it, and under a high powered glass would cut the film into the four divisions indicated by the margins. As stated above, each message was thus about two by two millimeters.

ENGELS stated that these micros were then placed in an inconspicuous place by glue. He indicated that an excellent place to locate these micros was in the letterhead of a letter. ENGELS stated that the micro, brownish in color, was affixed to the paper with a special glue which he received from Germany.

ENGELS described the camera which he used in making his micro-photos. The camera, the film, the developer, and the fixer were all special equipment brought to him by ALFREDO BECKER (there is still considerable doubt as to whether, in fact, there ever was an ALFREDO BECKER, but extensive investigation is presently being conducted to ascertain if there is or was an ALFREDO BECKER)..

ENGELS drew a picture of the camera. This picture is attached. As described by ENGELS, the camera is not very different from a fingerprint camera. It is a tall box camera equipped with a pedestal and four telescopic feet. It carries its own lights, special lamps placed in the box near the lens. The whole apparatus is plugged into a wall or floor plug on regular electric current.

When the apparatus is connected, a special film, somewhat like motion picture film is placed into the machine. The film is exposed for approximately ten minutes carried away on a roller. The length of the film exposed is cut and dropped into a developing box which is also within the camera. ENGELS described the developing box as follows: It is simply a metal container equipped with a plug on the top and on the bottom. The developer is poured into the metal container and permitted to remain with the film from five to seven minutes. It is then drawn off and water is placed in the container

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for about a minute. The water is then drawn off and a fixer is placed in the container. This fixer is permitted to remain for about ten to fifteen minutes, after which the fixer is drawn off. The film is then ready for cutting.

ENGELS described the film as being a type of motion picture film and no prints were made. The actual film was sent. ENGELS stated that the over-all size of the apparatus was about fifty centimeters by thirty-five centimeters by twenty-five centimeters. The lens is about twelve centimeters long. The lamps were quite small and equipped with reflectors. ENGELS stated that the apparatus was used with the camera about ten or twelve centimeters above the pedestal upon which pedestal was located the paper to be photographed. ENGELS stated that the film used was quite insensitive to daylight, although it was more sensitive to artificial light.

ENGELS advised that the whole performance of making photographs required about an hour.

ENGELS was questioned at length about one of the radio messages which dealt with "dots" and which advised that ENGELS had solved the difficulties he had been having with the making of "dots". ENGELS stated that this message referred to the trouble that ENGELS had been having with the film and with the developer. ENGELS stated that this trouble was caused by the heat and that he solved the problems by keeping the developer in an icebox.

ENGELS stated that he threw the camera referred to above into the ocean early in February of 1942. He stated he threw this camera away near the fort near the beach at Ipanema.

This information was furnished to the Bureau by memorandum dated February 20, 1943.

With reference to the signal, M/A or M/C, concerning which the theory had been developed that this was the signal used to indicate the presence of micro-dots in a letter, ENGELS stated that this signal really was used to indicate the type of ink appearing on the letter. For example, "L" would indicate Moritz ink.

SECRET INKS

Interviews with both ENGELS and VON HEYER on the subject of secret inks and developers was particularly unsatisfactory. ENGELS advised that Moritz was the name of an ink and was also the name of a developer. Moritz ink was simply an eye medicine, the name of

which is not recalled, and it was used pure, just as the medicine was bought in any drug store. With this eye medicine it was necessary to write quite large on almost any type of paper with either a pen or a toothpick. Considerable care was used in order not to scratch the paper. After writing, the paper was rinsed in a bath made up of two cups of water and fifteen drops of ammonia. The paper was then dried and ready to go. With regard to marking used to indicate the presence of Moritz ink, any letter which contained a superfluous M or an N in the signature indicated Moritz ink to the reader. Any sort of text could be used.

ENGELS stated that it was his belief that the Ponal ink was really Pyramidon. He stated that he never had any occasion to use this ink.

Another ink which ENGELS discussed was Pural. ENGELS advised that this ink was made up with a laxative pill, the name of which he did not recall, and plain water.

ENGELS denied knowing anything whatever about Cito ink or about the use of Stearine, or about quinine, resorcinol, or anti-pyrene inks.

Developers

ENGELS stated that the only developers which he ever had any contact with were the developers for Cito and Moritz inks. ENGELS stated that the great majority of the letters which he received from the United States were in Cito ink. The developer which he had received already made up from Germany. He stated that it is his recollection that he got this developer originally from BUCHER, although he may have gotten an additional bottle of the developer from VON LEYER. ENGELS described this developer as a bottle of slightly rose colored fluid. Several drops of this fluid were placed into a small cup of water. The solution was mixed, then swabbed on the reverse side of the letter, that is the side which is thought contained the secret message. The writing would appear in violet color. The message would remain fixed for about thirty minutes or possibly less, and then would disappear, the letters disintegrating gradually. At the end of about an hour or a little more the message had disappeared completely, leaving only a trace of violet. ENGELS stated that he did not know whether the message could be re-developed because he had never made an effort to re-develop a message.

With regard to the developer for Moritz ink, ENGELS stated that this was a very complicated development process, consisting of at least four chemicals and a number of development processes.

WIGGLES stated that Moritz was very little, and he pretended to be unable to reconstruct the development process. He stated that his recollection was that when the message was developed it was a yellowish brown. WIGGLES said that very likely his recollection was not particularly accurate.

VON REYER advised that the inks and the developers were a completely unknown quantity with him. He stated that he did not recall the use or formula of either the inks or the developers. His discussion was even less complete than that of WIGGLES. He stated that in any event the formulas for the inks and the developers were written down and the formulas were taken out when a particular ink or developer was being used. He said these formulas were destroyed prior to his arrest and the arrest of WIGGLES.

From the messages efforts were made to reconstruct some of the chemical formulas. However, these efforts were unsuccessful.

CODES

Four codes are set forth in this section.

Schleier Code

First is the code used by OEL SCHLEIER. The Chart and the explanation appear to be self-explanatory. This code of SCHLEIER's, the explanation for which was received from TRAUTMANN, is the only one of the four codes which has not previously been submitted to the Bureau.

First WIGGLES Code

There is attached hereto a sketch of a table, filled in, which is designed to illustrate a simple "comb" code which WIGGLES has advised he used in the early days of the operation of his station OEL.

A brief review of the messages will reflect that one BIBBEL, cover name "EDUARDO", alleged to be a German agent attempting to set up a station in Ecuador, had been instructed by WIGGLES in the use of this code and was using the key word "ORDNUNGSGEMÄSSIGKEIT". This word is used as the key word in the attached sample.

WIGGLES described the code as a simple one being made up of a series of squares as in the sample. Above the squares, the letters of the key word "ORDNUNGSGEMÄSSIGKEIT" were written. The letters were then given a numerical value corresponding to their position

in the alphabet and their occurrence in the key word. Then certain of the squares in the table were blocked out, depending on the numerical value of the key word letters taken as they were written above the table. In the example, the letter "N", initial letter in the key word, has received the number 13. The 13th square in the table is blocked out. The second letter in the key word "O", has received the number 15. Fifteen squares are counted off and the 15th square from the last blocked out square is blocked out. The third letter in the key word, "R", has received the number 16, the 16th square from the last blocked out square is also blocked out. The procedure is continued until either all the letters have been used or the table of squares has been exhausted.

The table was 20 squares wide and was as many squares high as a particular message required.

After the blocking out of the squares was completed, the message was written into the table horizontally, beginning always at the left hand side and skipping the blocked out squares. The groups sent were picked vertically beginning always at the top of the table and working from left to right.

The message sent in the attached example is: "It is very hot here today, now that it begins to look like rain."

The message as sent is as follows: (imperfect final groups being permissible) IYOTN OIOKS WVTLE HIRAY HTKOI ETTRH BAEIE GNRIE NTSOT DOAL.

The ENGELS Code

There is attached hereto an example of the code used by ENGELS in the transmission of radio messages from his CEL station to ALD in Germany. The example as set forth is exactly as it was described by ENGELS. It was made up with ENGELS' assistance and was only secured after very extensive questioning on the subject of codes. In this connection, ENGELS claims that he does not have very much information.

According to ENGELS, his superiors in Germany had eight shablonos or tables, and ENGELS in Rio had eight tables. These tables were numbered from one to eight. Table number one in Germany was identical with table number one in ENGELS' possession. Tables number two were identical, etc. The table was made up on the basis of squares, some squares being blank, and some being completely blocked out. The blocked out squares on the accompanying chart are indicated by an X through the square.

Germany instructed ENGELS which of the eight tables were to be used at any given time. As a matter of fact, ENGELS states that he used only three of his eight tables, principally the third table.

In connection with the table, a book entitled "Collected Works of German Authors" was used. ENGELS does not recall the editor of this book nor by whom the collection was made. He describes the book as a thin regular size book with a gray cover. The book was in German. ENGELS did not recall any of the authors who appeared in the book, but states he is almost sure that one of the writers was GOETHE. ENGELS says he is of the opinion that the book can only be obtained in Germany. ENGELS states that VON HEYER destroyed this book a short time before the arrests. The destruction of the book was made by VON HEYER on ENGELS' instruction.

According to ENGELS, Germany would instruct ENGELS in which group of letters were to appear the code letters which indicated which page in the book "Collected Works of German Authors" was being used for the key in a particular message. ENGELS said that the instruction as to which group was to contain the designation of the page varied and was given to him by Germany in a secret ink letter. In the group indicating the page of the book to be used, the letters appearing had their fixed numerical value. Thus, A was one, B was two, C was three, and so forth. As the book was only two hundred pages long, at no time would more than three letters appear in the designation of the page. The last two letters in this group were, therefore, dummy letters. In the example attached, the third group was arbitrarily taken as the group which contained the indication of the page of the book from which the code key was taken. It will be seen that the letters in the third group are A B I Q J. This indicates that page 129 was used to obtain the key.

When the page was decided upon, the key was obtained in the following manner. Beginning at the top of the page, the letters as they appeared in the words on the page were taken. Sufficient letters were used to fill the columns of the shablone. The letters were written above the shablone as is indicated in the accompanying drawing. It was ENGELS' recollection that about twenty or possibly thirty columns appeared in his shablone. When the letters were placed above the columns they were assigned numbers. The number assigned to a letter depended upon its numerical value in the alphabet. Thus, in the example, letter E, which appears in the alphabet before any other letter in the word "supplement", receives a numerical value of one. The other E in the example receives the numerical value of two. I is the letter which occurs next in the alphabet and in the word, therefore, it is given the numerical value of three, and so forth. The numbers thus assigned to the letters, therefore, determine the number of the column above which the number and letter

appeared. Thus, the first E (1) was vertical column number one. The second E (2) was vertical column number two. The L (3) was vertical column three. M (4) and so forth. The message was then written into the shablone as follows: Beginning with vertical column one, the message was written vertically until the column was exhausted, then vertical column two was used beginning at the top and running toward the bottom. When vertical column two was exhausted, the message continued into vertical column three, always beginning at the top, and so forth, until the end of the message was reached. No writing was done in the blocked out squares. The message as sent consisted of groups of five letters. The letters which make up these groups were chosen by following the lines horizontally beginning in the upper left hand corner, and continuing to the right. When one horizontal line was exhausted, to continue the group, one returns to the left on the second horizontal line and continues until the entire message has been sent.

ENGELS stated that in the group which indicated the page of the book used to obtain the key, the letter K was used for zero, and J was never used. However, if J appeared in the key words it was given its regular alphabetical numerical value.

ENGELS also stated that no punctuation was used, and an imperfect group could be sent.

In the example shown, the message to be sent was "Lifes but a walking shadow a poor play". A reference to the chart will show that the message began to be written vertically in the first E, went to the second E, column two, continued to L, column three, went to N, column four, and so forth.

As sent, the message would appear as follows:
O G L A K - P U I E L - (ABIQJ) (this group indicated page 129 in the book, the key) - S T L I O - W H O F S - A A B O - P Y A W N -

When the message arrived in Germany the key could very easily be obtained and the message deciphered on an identical table.

ENGELS' Code As Explained By VON HEYER

A discussion of the code as used by VON HEYER has previously been sent to the Bureau. However, the attached chart sets forth the code as VON HEYER claims he used it. It will be noted that there is a slight difference between the manner of use by ENGELS and by VON HEYER. In the attached message it will be noted that the third group is the key group, indicating that page 125 of the book, "Collective Works of German Authors" contained the key word, and that

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Shablone Number Seven (G) was used. The message was written vertically and sent horizontally. The shablone used to decode is a master grille. As described by VON HEYER, the message could be written horizontally and sent vertically or vice versa. VON HEYER made no mention of the fact as stated by ENGELS that the letter "K" was given the numerical value of zero and the letter "J" was not used in the key group.

It will be noted that the only difference between this code and the code as described by ENGELS is that VON HEYER in sending a message supplied a dummy letter every time the shablone showed a blank space. This extended the length of the message, but in VON HEYER's opinion made the code a little more safe. The letters which were supplied for the blank spaces were chosen at random and of course were not taken in alphabetical order as they appear in the attached example.

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THE CODE USED IN CEL SUBSTATION (SCHLEGEL)

As described by ROLF TRAUTMANN, the following is the code used by the CEL Substation (Schlegel) group for encoding messages for cable correspondence with Germany.

The code book was "THREE KEN OF A BUL. 11"

Key letters were obtained by the arbitrary assignment of a page of this book, thought to have been page 180, and the advancement of 1 page per day in this book. The first 26 letters appearing on the page of the day were the code letters or key letters. These letters were written at the head of a piece of graph paper with 26 columns and the columns were given the numerical value of the letter appearing above a column.

Messages were written horizontally and sent vertically beginning with column 1.

Key Letters	W ⁽¹⁾	I ⁽⁵⁾	R ⁽⁶⁾	T ⁽⁸⁾	S ⁽⁷⁾	C ⁽⁴⁾	H ⁽²⁾	A ⁽⁰⁾	F ⁽³⁾	T ⁽⁹⁾
	I	N	T	H	E	S	U	M	M	E
	R	I	N	R	I	O	E	V	E	R
	Y	O	N	E	W	H	O	C	A	N
	G	O	E	S	A	W	A	Y	T	O
	P	E	T	R	O	P	O	L	I	S

Message sent: "In the morning, everyone who goes away to bed..."

As sent, the message was written horizontally and sent vertically, the message is as follows:

WVYL - SOHP - NEAT - ... - IVAO - BRFR - ERVOS - IRYOP -

The code was varied as follows: on days having even numbers in the date, the sending of the messages was begun at the top of each column, exhausting each column. On odd numbered days, the message was sent beginning at the bottom of each column.

[illegible]

S	U	P	P	L	E	M	E	N	T
O	X	C	X	X	L	A	X	K	X
X	P	X	X	U	I	K	E	X	X
X	L	S	X	T	K	L	X	-	O
W	X	I	O	X	E	X	S	X	O
A	A	X	X	A	X	X	B	X	O
P	Y	A	X	W	X	X	X	Z	R

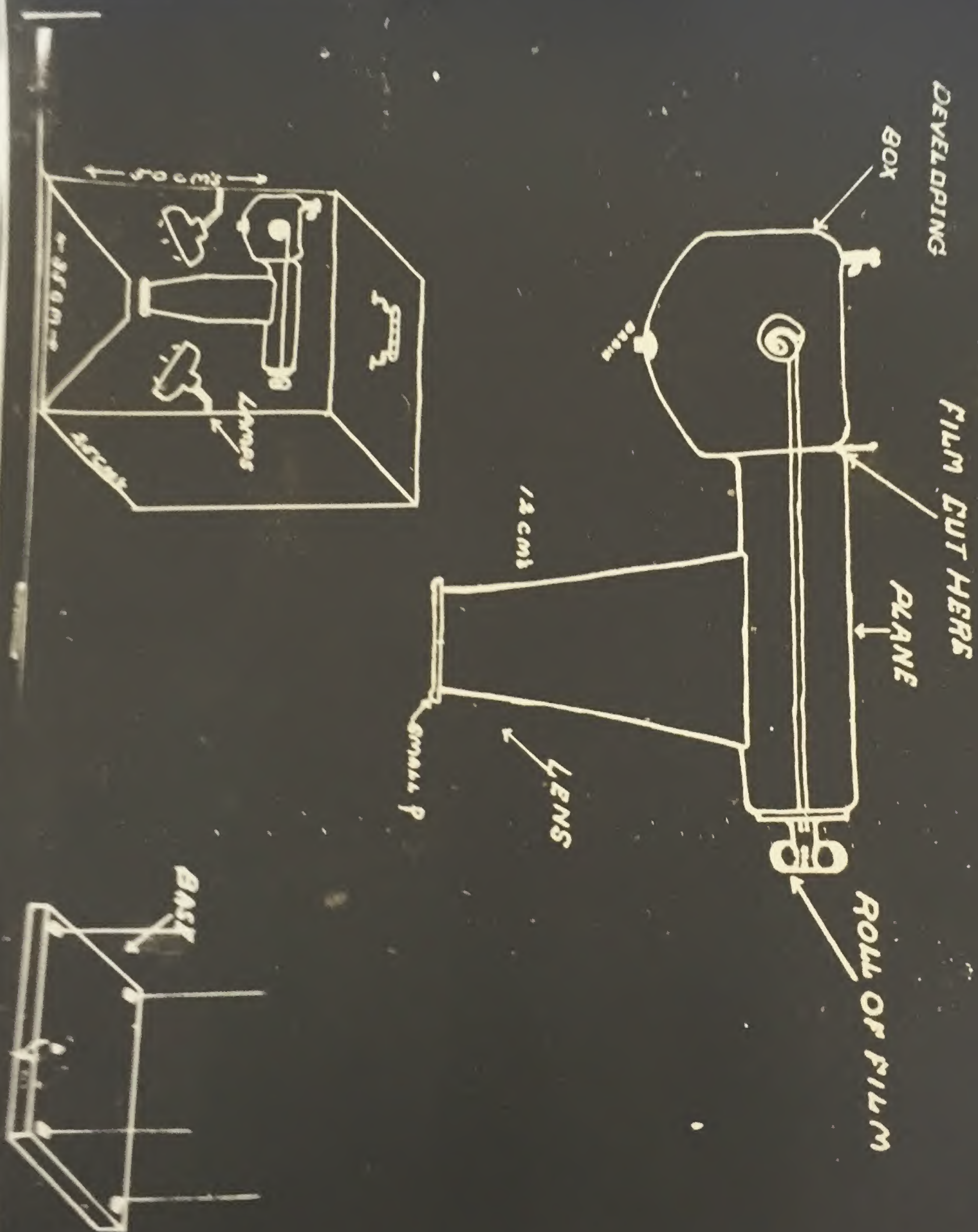
Sobre Custos y Colores No Hay Nada Escrito.
 (There are no notes about tariffs and colors.)

Q	A	H	E	N	H	E	H	H	A
*	S	*	O	*	*	R	*	*	E
N	*	A	*	*	R	*	C	*	N
*	O	E	*	A	*	*	O	T	*
A	B	S	S	Y	I	E	L	O	T
D	R	C	Y	*	*	S	O	*	H

MESSAGE AS SENT (any group)

ASBOC - ~~PRE~~FG - ABEGX - HENIA - JKALC - MNSNO -
 DEPAQ - ROTST - GABSS - YIELD - OTUDR - CYVWS -
 OXHYU

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ADDRESSES IN RIO DE JANEIRO USED BY CEL
POST OFFICE BOXES

ADDRESSEE U.S. ADDRESSORS

100	A.E.G.	GOLDMANN-GOLTSMANN	IVAN
590	M.W. KLEE	R.W. BRIMMANN	
761	THEO. WILHE CO.	JOAO CASTRO DE SILVA	RICHARD FREUNDT
1940	C.M. PIMENTAL	JOAO DE SILVA	GEORGE NICOLAI
2685	ABILIO CORREA	ALVARO REIS	
2684	EDUARDO SCHMIDT	JOHN KROEBER	LEO
3358	EUGEN BUEHLER	JOSE ALVES	
		JOAO COELHO	ARTHUR HAMILTON
		EUGENIO MENDES	ARTHUR HAMILTON
		EUGENIO MUEHLER	LEO
		BOZELHO	

According to admissions that have been made by ALBERTO J. J. all of these boxes were used to receive mail from the agents in the United States. These agents were ALBERTO J. J., HORACIO (KROEBER), RICHARD & DICK (maybe DICK), JOE, JAMES, ALICE, JOHN FLINT, and KATHA HARRERED.

ACTUALLY RECEIVING MAIL

ALBERTO J. J. - Box 100, Box 590, Box 1940.
ALICE - Box 2685, Box 3284.
JOE - Box 761, Box 3358.

BUSINESS AND HOME ADDRESSES USED IN

BRAZIL.

OWNER

ADDRESS

ADDRESSES:

109 Rua Marjães de
100, Rio de Janeiro

EDUARDO SCHMIDT

ARTHUR HAMILTON, U.S.A.

100, Rio de Janeiro,
100, Rio de Janeiro,

OSMAR DA ALMEIDA

ARTHUR HAMILTON, U.S.A.

109 Rua Marjães de
100, Rio de Janeiro

ARTHUR HAMILTON

ARTHUR HAMILTON, U.S.A.

100, Rio de Janeiro

ARTHUR HAMILTON

Unknown

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0

THE DOORS OUTSIDE OF RIO DE JANEIRO
STREET PHOTOGRAPHIC FILM

JOHN KROGER

JOHN KROGER

225 Fulton Street,
Westbury L.I., New York.

JOHN

JOHN

Unknown, but admitted to
have existed.

ARTHUR HAMILTON

ARTHUR HAMILTON

Box 457, Lawndale, California.
Also 312 South Broadway,
Redonda Beach, California.

AMERICAN

GUSTAV UTZINGER

GUSTAV UTZINGER

Box 1081, Buenos Aires.

JOHN

JUAN CASERO

JUAN CASERO

Box 1363, Valparaiso.

GEORGE

GEORGE NIOOLATS

GEORGE NIOOLATS

Box 1006, Mexico, D.F.

RADIO CML;
ALBRECHT GUSTAV ENGELS, WAS; ETAL.

XII. COURIERS

If ENGELS and VON HEYER are to be credited, very little use was made of couriers, either within the Western Hemisphere or to Europe from Brazil.

It seems strange, considering the liberal use made of couriers in the case entitled "FREDERICK JOUBERT DUQUESNE, with aliases, et al; Espionage (G)" that more couriers were not used. However, the fate of so many of the DUQUESNE case couriers may have deterred the use of them to some extent in instant case.

ENGELS stated that couriers were used by Germany to send material to Rio de Janeiro, but these were regular diplomatic couriers. ENGELS received ink on one and money on two occasions from diplomatic couriers. Once, in connection with the money he received from DIEGO in January of 1943, the courier came to ENGELS' home. On the other two occasions, ENGELS received a call from the Embassy, advising that packages from Germany had arrived for him there.

ENGELS made the general statement that what couriers he did use within the continent were "BOHNY couriers," that is, couriers which BOHNY made available to him. ENGELS declined to specify on what occasions he used such couriers.

On one occasion, ENGELS sent mail addressed to VON BOHLEN of PYL in Chile by a BOHNY courier. Also, a courier was used to carry "ink material" for MAX from ENGELS to GEORGE NICHOLAUS in Mexico City. (See message, "Courier with ink material for MAX in Chile - unable to continue, Dec. 23, etc.") ENGELS advised that this also was a diplomatic courier which he had "borrowed" from BOHNY.

The message of September 29 (?), 1941, "Forerunner ALTEN took off today, etc." is obviously a reference to a courier. ENGELS stated that this was a BOHNY courier.

ENGELS maintained that the uncensored mail service within the continent and the uninterrupted Latf Air Line connection to Europe made the use of couriers unnecessary as a general rule. (See Message November 26).

R638
CNS6 Library
Box 78

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The radio station also helped eliminate the need for couriers, especially after the suspension of the Lati Airline.

With regard to letters from the United States, so many secret ink letters were intercepted and referred to in the messages from GEL to Germany that it is reasonable to suppose that the great volume of the correspondence between agents in the United States and ENGELS was carried on by mail.

ENGELS denied that Spanish or Portuguese ships were ever used as vehicles for couriers. The possibility that this is true is very slight. (See message of October 6, 1941.)

A message of September 26, 1941 refers to a "Bagemann." VON HEYER advised that this was a reference to an individual, either a crew member or a passenger (he thought the latter) on the Brazilian ship Bage who carried some "Consignee mail" to Europe for VON HEYER. This man was not given any money. VON HEYER met him in a bar, remembered nothing whatever about him, and was unable to give any description of him. He only met him once and tried the method merely as an experiment.

RADIO CEL;
ALBRECHT GUSTAV ENGELS, WAS; ETAL.

XIII. CABLE FACILITIES

One of the possible and plausible explanations for the apparent absence of couriers in the CEL organization may be found in the general use made by CEL of diplomatic cable facilities not only to Germany but also within the continent. ENGELS stated in this connection that CEL use of the diplomatic cable facilities through HERMANN BOHNY was general.

The intercepted messages of the following dates reflect the use in the CEL organization of diplomatic cable:

BEH MESSAGES

July 7, 1941, CEL to AID
 CABLE STEIN 27654 and 27732 RECEIVED OVER BEH. OTHER THAN RUMOR ABOUT SUSPENSION LATI, NOTHING NEW KNOWN.

August 15, 1941, AID Germany to CEL Rio
 DETAILED LETTERS (FROM) BEH CONFIRMED WITH THANKS. UNFORTUNATELY NO DOT LETTERS RECEIVED AS YET. CONSIDER THOROUGHLY WELCOME COOPERATION WITH BEH.

August 17, 1941, CEL to AID
 FROM RECEIPT ON 8-6 WARZISISTAN TO LIVERPOOL, ON THE 10TH OF AUGUST SCOTCH STAR TO ENGLAND. THE BOTH OF THEM WITH BEH MAIL WHOSE RECEIPT WAS CONFIRMED. ALFREDO.

August 19, 1941, CEL to AID
 FUND BALANCE JULY BY TRIP (TRANSIT TRIP) HUMBERTO 10, COMMISSION 14 SECOND RECEIVER 2 AMOUNTS TO 8 TO MY CREDIT (TO A CREDIT) FOR AFU. RECEIVE 14 TRIP BUENOS AIRES USA DREW 30 CONTOS FROM FUND AT BEH. PLEASE INSTRUCT WHETHER OPERATIONS FUND CAN BE SUPPLEMENTED FROM THIS FUND. ALFREDO.

August 21, 1941, CEL to AID
 BEH HUMORED THAT LATI MAIL OF 7/27 WITH LETTERS 18 MM AND 92,93 LEFT IN ROME. ALFREDO.

August 22, 1941, CEL to AID
 DURING MY ABSENCE, A BEGINNER, WHO HAS WORKED NOW AND THEN, WILL OPERATE STATION ALONE, SINCE HAVE NOT HAD REASON TO NEED AFU MAN FROM BEH FOR WEEKS. PLEASE DO NOT GIVE OVER RATE OF 40. ALFREDO.

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September 17, 1941, CHL to AID
REFERENCE TO YOUR SVVIS IN EHL. ADDRESS OF WILHELM SALVADOR.
VINTO (POST OFFICE) BOX NUMBER IMPORTANT. THIRD JOE (LATER)
ARRIVED YESTERDAY. ALFREDO.

September 27, 1941, AID to CHL
EXACT ADDRESS SALVADOR RECEIVED THROUGH EHL. PLACED AT DISPOSAL
WASHINGTON. 55 STEIN.

November 24, 1941, CHL to AID
IVAN DELIVERED 10,000. I WILL RECEIVE HIS REPORT TONIGHT. HE
(OR IN ADDITION TO) THE CABLE OVER EHL: I CAN DELIVER (TO) IVAN
(A) 50 WATT APPARATUS; WITH REGARD TO LAST MAIL, SHOULD IVAN SEND
MAIL HERE IN THE FUTURE. I CAN GIVE HIM OTHER COVER ADDRESSES.
ALFREDO.

December 1, 1941, CHL to AID
IVAN IS RETURNING DECEMBER 3. REQUEST URGENTLY REPORT CONCERNING:
FIRST: FURTHER PAYMENT OF 10,000; SECOND: WHAT SPECIAL INSTRUCTIONS
DO YOU HAVE FOR IVAN. REPLY IMMEDIATELY BY WIRE, BECAUSE CABLE OVER
EHL IS TOO LONG IN ROUTE. ALFREDO.

December 2 - 3, 1941, CHL to AID
(WITH REFERENCE) TO YOUR 43426 OVER EHL. ON THIS SIDE THE CONSPIRACY
OF THE U.S. IN CONFEDEATION WITH ARMANDO SALLES AND OCTAVIO MACASKIRA
(IS) KNOWN. SEE PREVIOUS REPORTS. ACCORDING TO MY INFORMATION
OSWALDO THOROUGHLY LOYAL TO GETULIO, WHOSE PRESTIGE (HAS BEEN) FURTHER
STRENGTHENED BY THE SUPPORT OF THE INTEGRALISTAS, ARMY COMPLETELY ON
HIS SIDE, POLICE SURVEY; FOR THAT REASON MY OPINION AT THE MOMENT (IS
THAT) EVERY ATTEMPT AT A COUP D'ETAT (WOULD BE) HOPELESS. I CONSIDER
STATEMENT CONCERNING SUPPORT (OF) THE ARGENTINE MISLEADING CONCERNING
THE GENERALLY NON COOPERATIVE ATTITUDE OF THE ARGENTINE TO THE USA
(WHICH IS) ALREADY SUCCESSFUL. OSWALD (REPORTS) VERBAL AGREEMENT
FOR THE PRESERVATION OF THE INDEPENDENCE (OF) SOUTHERN COUNTRIES.
ARMED INTERVENTION OF THE US TO THIS END NOT PROBABLE SINCE THE
SHARPEST REACTION AND OPPOSITION IS TO BE EXPECTED. ACCORDING TO MY
INFORMATION AND MY OWN IMPRESSION BRAZIL WILL REFUSE FURTHER PEN-
ETRATIONS INTO ITS SOVEREIGN TERRITORY AS LONG AS THIS (IS) POSSIBLE
WITHOUT CATASTROPHIC RESULTS. ALFREDO.

December 19, 1941, CHL to AID
YOUR MESSAGE 3 AND THE DUPLICATE CABLE VIA EHL ARRIVED DELAYEDLY AND
(WAS) UNINTELLIGIBLE. HAVE PAID IVAN IN ACCORDANCE WITH INSTRUCTIONS
IN PREVIOUS CABLE VIA EHL AN ADDITIONAL 8500, THEREFORE 18,500 ALL
TOGETHER. HERE FOR SELF 4,000; 4500 PRODUCED BY MILLER. REQUEST
COMPENSATION. ALFREDO.

December 21, 1941, AID to CEL
WRITE IMMEDIATELY AS AN EXPERIMENT WITH AIRMAIL VIA NEW YORK, USA,
A LETTER IN SECRET INK TO NEW COVER ADDRESS BARCELONA. AT THE SAME
TIME DR. BEH IS BEING CABLED. COVER TEXT OPTIONAL; LANGUAGE OPTIONAL,
EXCEPT GERMAN. SIGNATURE AS FORMERLY. 113 STEIN NO. 481.

January 22, 1941, CEL to AID
BEH REPAID ME THE 8500 DOLLARS SUBMITTED TO IVAN OF WHICH 4500
REPAID TO THE EMBASSY. ALFREDO.

January 22, 1942, CEL to AID
FOR WILLI. BEH HANDED OVER TO ME AS A PRECAUTION THE 550 CONTOS
STILL DEPOSITED WITH HIM (IT) SUBJECT TO YOUR ORDER, SINCE LATER
PAYMENT IS IMPOSSIBLE UNDER THE CIRCUMSTANCES. ALFREDO.

January 23, 1942, CEL to AID
REFERENCE YOUR 129. AS NOTIFIED VIA BEH YOU WILL RECEIVE MAIL VIA
KRAMERTZ. ALFREDO.

February 14, 1942, CEL to AID
WITH REFERENCE TO YOUR 136, REMITTANCE IS IMPOSSIBLE. NO ANSWER TO
LETTERS FROM MAX. ACCORDING TO A REPORT BY EVERSBUSCH (THROUGH) BEH,
THE HEADQUARTER'S STAFF HAS A RESERVE OF \$100,000 AT HAND. CAN YOU
DIRECT EVERSBUSCH? ALFREDO.

February 20, 1942, CEL to AID
YOUR 140. BEH AWAITED THIS DIRECTION FOR PAYMENT 150 CONTOS. HAD
PAID ADVANCE TO FREDERICO WHICH AT THIS TIME RECEIVE BACK. ALFREDO.

These messages make it clear that the use of the diplomatic
cable facilities was bi-lateral. No satisfactory explanation for
these messages was given by ENGELS or VON HEYER. BEH, of course, in
these messages is HERMANN BOHNY.

With regard to intra-continental use of BOHNY'S cable
facilities, ENGELS admitted that he was in touch on one occasion,
(besides his personal visit) with VON BOHLEN, Naval and Air Attache
in Chile and head of FYL. He did not admit that he was in touch by
BOHNY'S cable, but such seems clearly to have been the case.

Moreover, the message from CEL to Germany of August 22,
1941 sets out that "DIEGO" requested a visit. DIEGO was DIETRICH
NIEBUHR. Clearly, the request for ENGELS' visit was made through
BOHNY, although ENGELS did not admit this.

Finally, ENGELS offered the name of KURT SCHNEEVOIGHT to Germany as a reliable telegraphic (cable) contact with MAX in Mexico City. This was in January, 1942. ENGELS' explanation for this is labored, but in substance ENGELS said that inter-communication by cable within the South American countries was forbidden to the Axis diplomats in late December of 1941. He advanced this prohibition as the reason he sought a private method of cable communication with MAX in Mexico. ENGELS did not state it to be the case, but the conclusion that before the prohibition he had free communication with MAX by means of the German diplomatic cable is entirely inescapable.

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XIV. FINANCIAL TRANSACTIONS

As is to be expected from a service as efficiently operated as was the CEL organization, there was never any pressing financial problem. In fact, at the end of nearly a year's operation, ENGELS was able to return approximately \$37,000, (U. S. money) to AUGUST GLOCK, Secretary of the German Embassy for return to HERMANN BOHNY. This ENGELS did on March 17, 1942. Such economy was possible in spite of ENGELS' frequently iterated statement that he kept no accounts. It may be explained in part by the fact that the great bulk of the money handled by ENGELS was received after the organization was functioning and a relatively short time before it was broken up.

As will be seen from the attached table, ENGELS received approximately \$112,500, principally from BOHNY, spent about \$25,000, and then returned the balance when he became convinced that his arrest was imminent.

ENGELS advised he had been directed by Germany to give 300 Contos to JOSEF STARZICZNY. He was trying to arrange to give this money to STARZICZNY when he learned that the latter had been arrested for his activities in Radio CIT. The disbursements actually made by ENGELS appear on the attached chart and it is felt the chart is self-explanatory. There is some unexplained detail about CEL finances such as the following message from South America to Germany on July 29, 1941: "Remittance 670 (contos) to Wassman Company approved upon payment 2% commission in advance". Another message along the same line is a message of November 17, 1941, from Germany to CEL as follows: "650 Contos of the deposit at Wassman may not be used. Money withdrawn in excess must be repaid. DIEGO sending you \$8,000, of which \$4,000 operating funds for you and \$4,000 for IVAN. WILLI is person who will report to you delivering reports to be sent here".

ENGELS advised that these messages meant nothing to him and he advanced the opinion that they were "BOHNY" messages. He pretended to be unable to identify the "Wassman Company" mentioned in the messages.

Another unexplained message is that of January 22, 1942, from CEL to ALD as follows: "For WILLI. BEH carefully handed me 550 Contos still deposited with him at your disposal, since later payments impossible under the circumstances. ALFREDO".

ENGELS advised that he was unable to recount the circumstances which would make later payment impossible. He advanced the thought that possibly he feared at the date of this message (1-22-42) that relations between Brazil and Germany would be broken at any minute. This was the only explanation which he could advance.

The CEL group paid 150 Contos (\$7,500) to FEDERICO KEMPTER who was in charge of Station LIR. ENGELS advised that this money was paid on instructions received from Germany, but that the transaction was really handled by BOHNY.

According to HERBERT VON HEYER, ENGELS really handled all the finances of the station and VON HEYER merely made some of the petty disbursements. VON HEYER stated that his own expenses probably did not exceed \$500 and that he received only 10 Contos from ENGELS throughout the entire operation of the station.

At the time of, or shortly before, his arrest ENGELS handed the sum of 290 Contos (approximately \$15,000) to CAMILO MENDES PIMENTEL. ENGELS insisted that these funds were personal funds of ENGELS which were given by ENGELS to PIMENTEL to handle the expenses which would be incurred by ENGELS' family during his imprisonment.

It will be recalled that HERMANN BOHNY gave HENIZ LORENZ the sum of 50 Contos for the re-organization of Station CEL at about the time BOHNY embarked with the other German diplomats and returned to Europe. Although BOHNY must have made considerable payments in connection with the operation of the instant service, this is the only transaction concerning which details are known.

IV. ANALYSIS OF GEL MESSAGES

In the ten months between July 4, 1941, and May 4, 1942, approximately 375 radio messages pertaining to CEL in Rio de Janeiro and ALD in Germany were intercepted. 325 of these were from, and 50 were to, Station CEL. What proportion of the total traffic between the two stations is represented by this figure is a question for the technicians. Both ENGELS and VON MEYER paid genuine, if somewhat rueful, tribute to the efficiency of the intercepting and decoding service. Both stated that the volume of intercepts corresponded quite closely to the volume of the actual traffic. This seems doubtful, especially when an effort is made to reconstruct the numbering system used by both stations. Both subjects asserted that messages appeared in the intercepts which they did not receive. This, too, seems doubtful because the only messages over which they paused, or concerning which they seemed doubtful, were those messages which they did not care to explain.

Although it is perfectly obvious that Station ALD was on the "receiving end" of the messages and would reasonably be expected to have received far more messages than it sent, there seems to be a disproportion between the messages sent and received. In CEL Substation (SCHLESSEL) the "message ratio" was about three messages sent to one received (78 to 25, according to TRACHTMAN's records). The ratio in CEL is 6 1/2 messages sent to one received. Many of the messages discussed here are also discussed in other sections of this report. However, to some extent repetition is unavoidable. It is proposed to consider some 80 messages. Messages of a purely informational nature, such as shipping reports (which make up a great bulk of the messages), or reports obviously obtained from innocent or unidentifiable sources, that is, messages which it is clear could not be profitably discussed will be ignored.

ENGELS has identified "DEH" of the messages as LOHR. He has not identified "DIEGO" as NIEMUHR, although he stated that he knew "DIEGO" was in charge of German espionage in Buenos Aires.

The first messages mentioned are the "Diplomatic messages" which were sent by the German diplomats in Rio de Janeiro beginning on January 31, 1942, and ending on March 4, 1942. These messages are all of a nature which might be expected to come from an embassy and do not appear to be of an espionage nature. Because of their length, these messages are not set out, but the dates are mentioned as follows: January 31st, February 1st, February 3rd, February 11th (two messages), February 17th, February 20th (two messages), February 28th, March 4th, all 1942.

The "LLE SI" of Message No. 6 on July 4, 1941, which is

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apparently the authority for information about the VILLANCER has not been identified. ENGELS and VON HEYER both stated they had no idea as to what this word "LLESSI" means.

"FRED" of Message No. 7 of July 4, 1941, Message No. 17 of July 21, 1941, Message No. 29 of July 31, 1941, and of Message No. 14 of August 15, 1941, was stated by ENGELS to be HANS CHRISTIAN VON KOTZE.

The message of July 25, 1941, in part is as follows: "FRUEHAR RIO NOW BUENOS AIRES FOR CHILE 207. PURPOSE MARSIGSTER JUNCTION....". ENGELS advised he was unable to give any explanation whatever for this message.

The following message was sent by CEL to ALD on August 17, 1941: "LETTER LEO NO. 23 FOR STEIN of 21st JULY RECEIVED TODAY. PRIVATE LETTER LEO 15 MAY SENT OFF. INVESTIGATE (18 MS?) OF 25 JUNE AND 94 OF 3 JULY BOTH WITH BEH POST WHOSE RECEIPT BEH ACKNOWLEDGES". This message is set forth to indicate the volume of the correspondence between LEO and Station CEL. It should be borne in mind that, according to ENGELS and VON HEYER, any communication signed by LEO was a communication coming from the IL Section of the OKW.

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On the 19th of August, 1941, the following message was sent from South America to Germany: "DIEGO REQUESTS VISIT BUENOS AIRES FOR PURPOSE OF CONFERENCE, REVERE THILO. AIR TRIP 24. ALFREDO."

The agent in PYL in Chile who was in charge of handling agents from Chile to the United States, as read in the messages, was named REVERE. There is a possibility that THILO, also mentioned in instant message, may be THILO MARTENS, Buenos Aires maritime agency head.

ENGELS has stated that when he was in Buenos Aires between August 24 and September 2, 1941, he met and conferred with one BIEBEL, alias Eduardo. It is known that some of the agents from PYL were in Buenos Aires at or about the time ENGELS was there.

ENGELS denied that a conference between NIEBUHR, BIEBEL, the PYL agents and himself took place, in spite of the messages and indications to the contrary.

On September 4, 1941, CEL sent the following message to Germany: "ACCORDING OPINION INO I.T. JOE ARRESTED, THEREFORE INSTRUCT OTHER AGENTS NOT TO USE SILVA ADDRESS ANY MORE." The date of this message is such that it would have been possible for ENGELS to have seen news reports on the arrest of FRED LUDWIG, alias JOE K., in the case entitled, "KURT FREDERICH LUDWIG, WAS, ETAL; ESPIONAGE - G". ENGELS stated when this message was shown to him that he had read in the newspaper that an agent called "JOE" had been arrested. At the time he read this news he had been receiving letters in secret ink from an agent in the United States who signed himself, "JOE". This agent was addressing his letters to Postoffice Box 590 in Rio de Janeiro. ENGELS stated that he sent the message because he feared that this JOE who was arrested was identical with the JOE from whom he was receiving letters, and he was afraid that the identification of JOE would lead to the identification of other agents who were using Box 590.

The following message of September 6, 1941, was sent from ALD to CEL: "WE ACKNOWLEDGE RECEIPT OF FOLLOWING LETTERS: ALFREDO OF 16 and 24 JULY WITH POINTS; ALFREDO OF 10 AUGUST WITH REPORT 88; HUMBERTO ONE AND TWO MORITO; IN ADDITION HARALD OF 31 AUGUST WITH SKETCHES AND LEICA PHOTOS."

According to ENGELS this is merely an acknowledgment from Germany of the receipt of certain communications from the CEL organization. With regard to the word, "MORITO", ENGELS stated that this should be

"MORITZ", a well known type of ink. "HARALD" is as yet unidentified. ENGELS stated that he had no idea of to whom this name might refer. This message should be compared with the following message from Germany to CEL on August 8, 1941: "LETTER TO HARALD FROM UNCLE IS MEANT FOR COSSEL."

"UNCLE" is almost certainly ERNST BLOCH, head of the Wirtschaftsdienst, and COSSEL is thought to be HANS HENNING VON COSSEL, head of the Nazi party and attached to the German Embassy in Rio de Janeiro. However, there is a message of August 12, 1941, which indicates that "HERALD" is a German agent located in Germany. ENGELS denied that he ever had any contact with any agent called "HARALD" or "HERALD". The possibility that HERALD may be a designation of a courier is suggested.

A message very clearly indicating the extent of the activities of NIEBUHR is another message of September 6, 1941, from CEL to ALD, as follows: "BIEBEL NEW NAME EDUARDO. REQUEST SUBMIT VIA DIEGO BY RETURN DISPATCH ADDRESSES THERE, PREFERABLY FEMININE FIRST NAMES, BECAUSE CENSORSHIP IS TO BE EXPECTED. HAVE GIVEN HIM ADDRESS STEIN AND URSULA." ENGELS advised that he was unable to recall either the address of STEIN or the address of URSULA, which he had given to BIEBEL, although he did state that URSULA was URSULA CADENBACH, a mail drop in Lisbon. ENGELS also denied any idea of the addresses which Germany transmitted to BIEBEL, the agent in Ecuador, through DIEGO (NIEBUHR) in Buenos Aires.

The word, "SKEREN", which appears in the message of September 15, 1941, referring to certain communications, was stated by ENGELS to be, in his recollection, a boat or plane. He pretended to be entirely confused by the word, "SKEREN", but he assured that it did not refer to a type of ink.

A message of September 16, 1941, from CEL to ALD is as follows: "PLEASE REPEAT (BEFORE "EUR") IN NUMBER 38 WORDS BETWEEN "UER AND AUFSEHMT". BETWEEN "LINK AND BUENOS AIRES". CAN CONTACT BE MADE BY WIRE OR SHOULD THIS TAKE PLACE IN PERSON?" ENGELS claimed complete ignorance about this message. He gave no information or indication whatever as to with whom a contact was to have been made or where such contact was to have taken place.

ENGELS and VON HEYER both refused to give any information concerning the following message: "ALD TO CEL. EXACT ADDRESS SALVADOR RECEIVED THROUGH BEH. PLACED AT DISPOSAL WASHINGTON." Perhaps the obvious interpretation of this message may be the most acceptable, that it was an address in Salvador (Baia, Brazil) which was furnished by HERMANN BOHNY to his superiors in Germany.

and was given by them to some agent working in Washington, D. C. as a mail drop. ENGELS, however, stated that he is of the impression that this Salvador might be the name of an address rather than the geographical designation of an address.

The message of October 2, 1941, is somewhat obscure. From AID to CEL, "LETTER DIEGO RECEIVED SUPERCEDED BY COMMUNICATION SAME DATE FROM HANAUER. AWAIT YOUR DEFINITIVE PROPOSALS. UNCLE ZEKOT." ENGELS and VON HEYER denied that they were able to throw any light on this message, ENGELS stating that probably it was a BOLDY message and certainly was not one of his messages.

The following message of October 6, 1941 is interesting, although ENGELS and VON HEYER refused to furnish any information on it. "FIRST OFFICER CABO DE BUENA ESPERANZA WILL TAKE ALONG TRUNK (FOR STRIN FROM STEIN?) IN ADDITION POINTS DESIRED. WE HAVE NO DIRECT CONNECTION WITH PERSON CONCERNED WHO WORKS FOR DIEGO. SUGGEST TAKING UP AT YOUR END CONNECTION IN LISBON." It does not appear that any investigation whatever has been made concerning the first officer of the CABO DE BUENA ESPERANZA.

The following series of messages is quite unexplained:

October 16, 1941, CEL to AID, "FOR THEODOR. KLEINE ARRIVED SAFELY."

November 14, 1941, from AID to CEL, "FOR KLEINE. ADDRESS CARMEN PASCUA MAY NO LONGER BE USED FROM NOW ON UNDER ANY CIRCUMSTANCES. SEND IMMEDIATE RADIO ADVICE WHETHER AND WHEN KLEINE HAS ALREADY SENT DISPATCHES TO THIS ADDRESS. THEODOR OBERLAENDER."

December 18, 1941, from CEL to AID, "YOUR MESSAGE CONCERNING KLEINE. ASCERTAINED TODAY ONLY LETTER TO CARMEN WENT OFF THREE WEEKS AGO. WROTE SIMULTANEOUSLY TO SILVA." ENGELS declined to identify either KLEINE or THEODOR OBERLAENDER. He also stated that he no longer recalled the Silva address or the CARMEN PASCUA address which are referred to in the messages.

In one of his interviews, ENGELS has described KLEINE as being an individual with a large head who spoke Portuguese quite fluently. However, ENGELS maintained that he no longer has any idea whatever about KLEINE, nor about the origin of the messages which he sent concerning KLEINE.

The following message of October 18, 1941, "FIFTEEN THOUSAND DELIVERED TO SALL TODAY.", was stated by ENGELS to be the message

with which he advised Germany that he had delivered the fifteen thousand United States dollars to MOCSAN SALDOR for transmittal to JANOS SALAMON for the construction of a radio station.

On October 18, 1941, CEL sent the following message to Germany: "A FRIEND IS GOING WITH THE AVIATION COMMISSION TO TAKE OVER THE BEECHCRAFT PURCHASED. RADIO WHETHER YOU HAVE ANY SPECIAL RECONNAISSANCE WISHES." Germany replied the following date, setting forth the information which they needed concerning Beechcraft.

ENGELS advised that this was a BOHNY message, and that it was a friend of BOHNY's who was going to the United States with the Military Commission which was to take over the Beechcraft airplanes which had been purchased by the Brazilian Government in the United States. ENGELS advised that he does not recall who this "friend" was, but it is his recollection that the friend was TULLO REGIS DO NACIMENTO. ENGELS also advised that this trip was not made by the "friend", and that no information was ever received concerning the Beechcraft purchased.

On October 19, 1941, CEL sent the following message to Germany, "HEARTY THANKS. PEREIRA TRANSFERRED TO NATAL AS CHIEF CONFIDENTIAL AGENT ON MY RESPONSIBILITY. WORKS IN COOPERATION WITH BOB AND CHIEF RADIO STATION CAPITANEA PORTO. WHO IS KRISCHAN?" ENGELS advised that this was a BOHNY message, and that he did not know anything about PEREIRA, who is ALFONSO PEREIRA, or BOB, who is JULIO BOPP. ENGELS also advised that he had no idea as to the identity of KRISCHAN. He also stated that no reply was received to this inquiry so far as he knew.

The "PLAQUO" address referred to in the message from Germany to South America on October 22, 1941, is not as yet identified. It appears that this address was used by the agent who signed himself, "JAMES". ENGELS denied knowing anything about the Plaquo address. However, there is a "PLAQUI" who was arrested in connection with the operation of radio CIT, and for this reason further investigation will be conducted to ascertain whether the PLAQUO here may be identical with PLAQUI.

The following message was sent by CEL to Germany on October 31, 1941: "RECEIVED POINTS 71, 72, 74 and REFERENCE POWDER AND HANS LETTER." ENGELS denied that he knew anything about the "reference powder" referred to in this message, or about the "Hans letter". He did state, however, that he had the impression that the "Hans letter" was a letter which was written in a "Hans" type of ink.

He stated that he was unable to furnish any information whatever about this type of ink, stating merely that it seemed to him to be an explanation of the word, "Hans".

The following message was sent on November 3, 1941: "ACCORDING TO REPORTS, CREW OF BIRMINGHAM COMES FROM SOUTH AFRICA. WILL ACCOMPANY CONVOY TO ENGLAND. AMONG THE CREW ONE MAN (?). THE DUNEDIN." This message was signed "HUMBERTO". The message indicates that VON HEYER had an informant on board the "Birmingham". VON HEYER and ENGELS both stated that this was not the case, and that the message is incomplete where it sets forth that portion, "AMONG THE CREW ONE MAN".

In the message sent by HUMBERTO to Germany on November 3, 1941, he refers to "Secret Agent ZOLL". VON HEYER stated that ZOLL is not the name of an agent, but that it is a reference to an agent who was employed in the customs service in the port of Rio de Janeiro. VON HEYER pointed out that ZOLL is a corruption for the German word for customs. VON HEYER refused to furnish the name of this agent.

On November 17, 1941, Germany sent the following message to South America: "650 CONTOS OF DEPOSIT AT WASSMANN MAY NOT BE USED. MONEY WITHDRAWN IN EXCESS MUST BE REPAYED. DIEGO SENDING YOU EIGHT THOUSAND DOLLARS OF WHICH FOUR THOUSAND OPERATING FUNDS FOR YOU AND FOUR THOUSAND FOR IVAN. WILLI IS PERSON WHO WILL REPORT TO YOU DELIVERING REPORTS TO BE SENT HERE."

ENGELS refused to identify WASSMANN or the Wassmann Company. He also refused to divulge the identity of WILLI, stating that with regard to both identities he is in complete ignorance.

On December 24, 1941, Germany sent the following message to CIEL: "PREVIOUS REFERENCE MIPU ASSIGNMENT CONCERNING FINNISH SHIPS IN AMERICAN TRADE. ON THE SAIMA MATE HARRY GARLLSTROEM, OBERLEUT-NANT ZURSEE RESERVE; SHIP LAST IN NEW YORK. ON THE AURORA, KAPITAEIN ALBERT BJOERKLOEV; SHIP BEING REPAIRED AT NEWPORT NEWS. ON THE MODESTA IF HE IS STILL ON BOARD, KAPITAEIN ISACSSON; SHIP SEIZED BY THE ENGLISH. IN ALL CASES IT IS DESIRED THAT THEY SHOULD BE APPROACHED BY A FINNISH AGENT. HAVE YOU A SUITABLE LIAISON MAN?"

ENGELS advised that he did not receive this message, and that he had no idea of the identity of the individuals mentioned in the message. ENGELS insisted that at no time did he ever have any Finnish agents, nor was he able to suggest anyone whom he thought might make a "suitable liaison man."

On January 15, 1942, the following message was sent from CEL to Germany: "IN BUSINESS MATTERS UTTERLY WITHOUT SCRUPLES. ACCORDING TO INFORMATION RECEIVED AND MY OWN IMPRESSION UNRELIABLE." ENGELS advised that he has forgotten the identity of the individual referred to in instant message. ENGELS agreed that the message obviously refers to a person whom Germany was trying to recruit as an espionage agent.

On January 23, 1942, CEL sent the following message to Germany: "YOUR 129 AS REPORTED VIA BEH. YOU WILL RECEIVE MAIL VIA KRAMERTZ." BEH, of course, is BOHNY. KRAMERTZ appears to be the foreign office. This conclusion is based upon the following portion of a message dated March 5, 1942, from Germany to South America, "FOR AMBASSADOR. REPORTS VIA SPECIAL MEANS OF ALFREDO RECEIVED WITH INTEREST. WE REQUEST HOWEVER THAT FOR PROTECTION OF THIS MEANS IT BE USED ONLY FOR IMPORTANT MATTER WITH SHORT CATCH WORDS. FOREIGN OFFICE. KRAMARZ 158. STEIN."

The difference in spelling is so slight between the two names, and the reference is so clear in both instances that there appears to be no doubt that KRAMERTZ and KRAMARZ are the same, and that the identity meant is the foreign office.

Message No. 4 of February 14, 1942, and Message No. 5 of the same date are both interesting, and are both unexplained. These messages are as follows:

"NO. 4. PAYMENT IMPOSSIBLE. NO ANSWER TO LETTERS ADDRESSED TO MAX. ACCORDING TO REPORT FROM 'B' (BOHNY), ONE HUNDRED THOUSAND DOLLARS PRESENTLY ON HAND IN CARE OF EVERSBUSCH OF HIGH COMMAND. CAN YOU INSTRUCT EVERSBUSCH?"

"NO. 5. WITH REGARD TO LUCAS (UEBELE) SECURITY OF FORM USED HERETOFORE IS IMPOSSIBLE. I AM READY TO FILL IN PERSONALLY AS LONG AS POSSIBLE ON BASIS OF LATER REMUNERATION, HOPE TO BE ABLE TO HOLD OUT FOR A LONG TIME BUT CANNOT SET ANY DEFINITE LIMIT. PLEASE GIVE ORDERS TO INSURE UNDERSTANDING." ENGELS claimed to be entirely unfamiliar with either of these messages and particularly he stated that he did not have any idea as to the identity of EVERSBUSCH.

In the message of February 18, 1942, from CEL to Germany, ENGELS advised Germany that it had been possible to salvage SALAMON's transmitter.

The message of February 20, 1942, as follows: "LUCAS REPORTS TO BEH THAT HE HAS COMMISSION TO PURCHASE LARGE QUANTITY FUEL OIL... .. ALFREDO." is interesting because it indicates that ENGELS was

to some extent apprised of the efforts of CHRISTIANSEN to purchase supplies of oil for the refueling of submarines. ENGELS stated that in connection with this project he regarded the plan as completely fantastic, and that he had really no part in the plan; that he merely sent the above cited message for BOHLY.

The following message was sent on February 20, 1942, from CEL to Germany: "LOCAL CAPTAIN IN OUR SERVICE DEPARTS IN TWO WEEKS IN COMMISSION. ON INVITATION LEBMAN WILLER HE WILL BE ACTIVE INFORMATORILY AT SPERRY, IN ARSENALS AND AIRCRAFT FACTORIES. HAVE APPROVED TRIP AND THREE THOUSAND DOLLARS. HE RECEIVED MR. ALFREDO." ENGELS advised that it was his recollection that this message was a BOHLY message, and that he knows nothing whatever about it. There is every indication to the contrary. ENGELS was positive, however, that the trip was not made and no funds were advanced.

Part of a message of February 20, 1942, from CEL to Germany is as follows: "CABLE ADDRESS FIRM OLLIAC CHANGED TO ZAKAVALLI (ZAKAVALLI)." ENGELS advised that he was unable to supply any information whatever about this message.

Part of a message of March 4, 1942, from CEL to Germany is as follows: "A COMMUNIST SEAMAN TAUBATE COMING FROM USA REPORTS THAT USA LABOR UNION PREPARING CIVIL WAR. . . ." ENGELS advised that this was information which he had received from VON MEYER, who told him that he had got the information from a Communist sailor on the Brazilian ship, "Taubate".

A message of March 12, 1942, from CEL to Germany is as follows: "CONNECTION WITH BRAUN POSSIBLE. REGARDING THIS LET ME KNOW WHETHER MY LETTER 126 RECEIVED. ALFREDO." ENGELS stated that he had no recollection whatever of this message, and that he has no idea of the identity of BRAUN.

The following message was sent from CEL to ALD on May 1, 1942: "FOR STEIN. I AM TESTING RECONSTRUCTION POINT. TWO APPARATUS (TRANSMITTERS) AND SERVICE EQUIPMENT SAFEGUARDED. INTELLIGENCE SERVICE FROM THE NORTH IS BEING SET UP SLOWLY. DETAILED REPORTS OF THE SITUATION OF THIS COUNTRY ARE ENROUTE BY WAY OF DIEGO, BUENOS AIRES. I URGENTLY NEED ANOTHER NEW KEY. PLEASE DELIVER VIA BUENOS AIRES. LAURA."

On May 4, 1942, ALD sent the following message to CEL: "CONFIRM MESSAGE FROM LAURA. COMPLETE RECOGNITION. KEY MATERIAL FROM DIEGO TO BE ALREADY ENROUTE. MORE FOLLOWS. EIA, 50, MESSAGE HAS NUMBER ONE."

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RADIO-CEL;
ALBRECHT GUSTAV ENGELS, WAS; ETAL.

XVI. CEL USE OF MAGAZINES AND PUBLICATIONS

As has been previously mentioned in this report, ENGELS stated, in a general way, that he was of the opinion that the German espionage organization for the Western Hemisphere was an entirely, or almost entirely, impromptu affair improvised after it became apparent to the Germans that the war would not be as short as had been previously supposed in Germany. ENGELS pointed out the large number of what he called "amateurs" operating in Brazil to support his statement.

For this reason, and also for the reason that practically all information of any value whatever appears in publications in the United States, and to some extent in the South American press, the CEL group relied heavily for information on newspapers, magazines and trade publications.

ENGELS mentioned Time and Life Magazines specifically as sources of information. He also admitted that he made liberal use of aviation magazines and occasionally got hold of a copy of "Popular Mechanics." The "Pacific Skipper," the "New York Maritime Register," the "Wall Street Journal," "Lloyds' Register," and the "Marine Review of the Navy" were also used, according to ENGELS and also according to the messages.

With regard to information actually sent over CEL to Germany, the following messages all had their source in publications from the United States. ENGELS stated that he was unable to cite exact references for the information.

7 November 1941, South America to Germany
AIRPLANE PRODUCTION FIRST HALF YEAR OF TOTAL 8896; WAR MACHINES 4210; TRAINER AND SMALL AIRPLANES 4225; PASSENGER 461; JULY: HEAVY BOMBER 14; MEDIUM 95; LIGHT 243; THE RATIO WILL PROBABLY REMAIN THE SAME FOR THE MONTHS AUGUST TO OCTOBER. ALFREDO.

1 January 1942, CEL to Germany
CURTISS COLOMBUS FACTORY WILL BEGIN MAY MASS PRODUCTION SERIES SB2C SINGLE SEATER STUKA FOR NAVY. ARMAMENT ONE CANNON FIVE MACHINE GUNS MOTOR 17 HORSEPOWER WRIGHT. SETUP 2000 H.P. WRIGHT IN EXPERIMENTAL STAGE. ALFREDO.

14 February 1942, CEL to Germany
FOR FOREIGN MINISTRY. AM SENDING BY AIR MAIL TO COVER ADDRESS
BAIRES ENGLISH GUIDANCE. INTERESTING PRESS ITEM AND REPORTS, PLEASE
REPORT TO BAIRES IN ORDER THAT TELEGRAPHIC TRANSMISSION IS ACHIEVED,
ALSO TO COVER ADDRESS HERE OF INTERMEDIARY WHETHER POST MATTER IS
RECEIVED. PRUEFER.

March 16, 1942, CEL to Germany
UNITED STATES BALANCE OF SHIPPING JANUARY 1. PASSENGER: PRIVATE, 84
WITH 529,099 TONS; GOVERNMENT, 6 WITH 102,782 TONS; FREIGHTERS,
PRIVATE 643, WITH 3,189,555 TONS; GOVERNMENT 80 WITH 449,875 TONS.
TANKERS, 366, WITH 2,648,852 TONS; OF THESE 29 WITH 139,382 TONS
WERE OUT OF SERVICE.

January 21, 1942, CEL to Germany
ACCORDING TO STATEMENT CHIEF CORRESPONDENT TIME JANUARY 17 IN THE
EVENING GENERAL STRIKE CALLED FORD AIRPLANE FACTORY. ALFREDO.

December 18, 1941, CEL to Germany
PERIODICALS ORDERED. LEFT BY LATI, DEPARTED TODAY, 17 DECEMBER,
NEW YORK MARITIME REGISTER OF 15 OCTOBER AND 5 NOVEMBER, MARINE
REVIEW OF NAVY OF NOVEMBER AND VARIOUS ITEMS FOR WILLI. ALFREDO.

December 8, 1941, CEL to ALD
ALTEN WRITES THAT (HE HAS) LEARNED FROM A RELIABLE SOURCE THAT THE
USA WILL PROHIBIT THE SENDING OF PERIODICALS TO EUROPE. (HE) REQUESTS
COMMUNICATION (CONCERNING) WHAT PERIODICALS ARE DESIRED ON THAT SIDE
SO THAT (THEY) WILL BE ORDERED WITH CARE. IN ADDITION NOW, ARE
FURTHER PERIODICALS DESIRED BESIDES THOSE ALREADY DELIVERED.

No difficulty was encountered in obtaining magazines,
books and periodicals. ENGELS stated that the great bulk of such
material was obtained for him by ANTONIO GAMA PINTO.

The CEL Substation (SCHLEGEL) seems to have made even
greater use of periodicals than ENGELS. KARL THIELEN, Chief Assist-
ant of SCHLEGEL, states that the station really made it a point to
use magazines and newspapers as the source of most of their inform-
ation. Their practice was to clip interesting articles from magazines
or newspapers and send the clippings to Germany. Particularly in-
teresting articles were clipped from the periodicals, summarized, and
sent by radio to Germany.

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THIELER and SCHLEGEL both advised that they used principally "Life," "Time," "Readers Digest" and the "New York Daily Mirror."

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RADIO CEL;
ALBERCHET GUSTAV ENGELS, WAS; ETAL.

XVII. INSTRUCTIONS FROM GERMANY

ENGELS stated that the principal instruction he received from Germany was that he should use good common sense in the operation of the station and service.

Originally, ENGELS was instructed by RAVEN that he should furnish information pertaining to economic and industrial developments in Brazil and the United States. These instructions were to secure any sort of information whatever of an economic nature which might be interesting to the Oberkommando der Wehrmacht. He was also given the addresses to which he was to send this material. Nothing was said about the form in which he should report. Later, through BECKER, ENGELS learned the use of secret inks and developers and the manufacture of micro photos.

He received casual instructions from time to time about specific information which Germany might want, but on the whole, his instructions were most general; such as the instruction not to contact other agents in Brazil, which admonition ENGELS blithely disregarded.

25 JULY 1941, Germany to South America
 SUPPLEMENTING NO. 8, EXPEDITE ARRANGING PLACE (PARTY) RECEIPT
 DESIRED PROPOSAL YOUR 19 REFERENCE TRUNK AFU CANNOT BE
 TAKEN THROUGH YOU MUST BUY YOUR EQUIPMENT THERE 29827.... LEO.

26 SEPTEMBER 1941
 ALD TO CEL, Germany to South America
 CAN YOU GET U S FIELD MANUAL NO. 3-154 CHEMICAL WARFARE. 53 STEIN.

2 OCTOBER 1941, From Germany to South America
 FOR GRILLO. DO NOT USE FORMER ADDRESS PAULO SIMOES. WRITE HEREAFTER
 TO ANTONIO LEITE DE FARIA, PORTO RUA FERREIRO BOAGES TWO ZERO DASH
 ONE IN PORTUGUESE OR ENGLISH LANGUAGE WITH SIGNATURE FRED. 61 STEIN
 33.

8 OCTOBER 1941, South America to Germany
 REQUEST REPLY OUR 39 RE SCHLEGEL. YOUR INQUIRY ABOUT AIRPLANES (SENT)
 OCT JUNE, SOURCE LOCAL OFFICER WHO RECEIVED IT FROM FRIENDS FROM THE
 USA. IM (AIR MINISTRY) HAS RECEIVED FROM AIR ATTACHE NUMBERS NAMED BY
 YOU DOUBTS CORRECTNESS OF THE FIRST ONE. ALFREDO.

9 OCTOBER 1941, AID TO CKL, Germany to South America
DISCONTINUE AIRMAIL SENDING OF PERIODICALS. COVER ADDRESS IN LISBON
OBTAINABLE. SHIPS POST SENDING VIA COVER ADDRESS LISBON DESIRED.
LEO. SUPPLEMENT MARTIN. FOREGOING NOT APPLICABLE FOR OUR SECTION.
64 STEIN.

18 OCTOBER 1941, South America to Germany
A FRIEND IS GOING WITH THE AVIATION COMMISSION TO TAKE OVER THE
BEECHCRAFT PURCHASED. RADIO WHETHER YOU HAVE ANY SPECIAL
RECONNAISSANCE WISHES. ALFREDO.

19 OCTOBER 1941, AID TO CKL, Germany to South America
FROM BEECHCRAFT AND OTHER PLANTS LOCATED IN WICHITA, ESPECIALLY
STEARMAN AND CESSNA, THE ANSWERS TO FOLLOWING QUESTIONS ARE DESIRED.
FIRST: PRESENT PRODUCTION CAPACITY. SECOND: NUMBER OF WORKMEN
EMPLOYED IN PLANT. THIRD: TO WHAT EXTENT IS STEARMAN TRANSFORMING
ITS PRODUCTION OF TRAINING PLANES (IN THIS POSITION) FROM BOEING
B-17 OR PARTS OF THIS TYPE? FOURTH: TO WHAT EXTENT HAS THE CON-
STRUCTION OF THE ASSEMBLY PLANT IN KANSAS AND TULSA PROGRESSED?
WHEN CAN ONE EXPECT THE COMPLETION OF THE FIRST PLANES BY THIS
FACTORY? STEIN NO. 429

20 OCTOBER 1941, AID TO CKL, Germany to South America
SERVICE MESSAGE. ALL MESSAGES DESTINED FOR AST BRUSSELS MUST BE
MORE FULLY DESIGNATED THAN ADDRESS FOR BRUNO MEYER.

29 OCTOBER 1941, Germany to South America
ARE ESPECIALLY INTERESTED IN FOLLOWING FACTS CONCERNING ARRIVAL
THERE ON ENGLAND RUN OR EMPIRE RUN SHIPS OCCUPIED COUNTRIES: FIRST -
FLAG FLOWN; SECOND - BY WHOM STEERED OR OPERATED. 82 STEIN No. 682.

21 DECEMBER 1941, Germany to South America
WRITE IMMEDIATELY AS AN EXPERIMENT WITH AIRMAIL VIA NEW YORK, U.S.A.,
A LETTER IN SECRET INK TO NEW COVER ADDRESS BARCELONA. AT THE SAME
TIME DR. BEH IS BEING CABLED. STOP. COVER TEXT OPTIONAL, LANGUAGE
OPTIONAL, EXCEPT GERMAN. SIGNATURE AS FORMERLY.

AID to CKL, GERMANY TO SOUTH AMERICA
OBTAIN FOR LUDWIG CAA FOR DEFENSE, PUBLISHED BY CIVIL AERONAUTICS
(ASSOCIATION). (Rest of message corrupt).

December 24, 1941, AID to CKL, Germany to South America
PREVIOUS REFERENCE MIPU ASSIGNMENT CONCERNING FINNISH SHIPS IN
AMERICAN TRADE. ON THE SAIMA MATE HARRY GAKILLSTROM, OBERLEUTNANT
ZURSEE RESERVE; SHIP LAST IN NEW YORK. ON THE AURORA, KAPITAN
ALBERT BJORKLOEV; SHIP BEING REPAIRED AT NEWPORT NEWS. ON THE
MODESTA IF HE IS STILL ON BOARD, KAPITAN ISACSSON; SHIP SEIZED BY
ENGLISH. IN ALL CASES IT IS DESIRABLE THAT THEY SHOULD BE APPROACHED
BY A FINNISH AGENT (V-mann). HAVE YOU A SUITABLE LIAISON-MAN?

December 25, 1941, ALD to CEL, Germany to South America
REQUEST INFORMATION ON THE NEWLY-OPENED LABORATORY IN THE TECHNICAL
INSTITUTE IN MASSACHUSETTS USA. PURPOSE CHEMICAL WARFARE (RESEARCH)
DIRECTOR CAPTAIN J. H. ROTHSCHILD.

January 12, 1942, Germany to South America
FROM JANUARY 8, 1942, YOUR LETTER No. 18 REQUEST EXACT DETAILS RE
MATERIAL FOR 100 MACHINES WHICH COMP NAV 1051 PURCHASES U.S.A.

March 17, 1942, ALD to CEL, Germany to Rio
PLEASE DISCONTINUE OBLIGING (?) MESSAGES LIKE TODAY'S NUMBER 25
AND 28. YOUR WORK FOR US (IS) TOO VALUABLE TO BE JEOPARDIZED BY
THAT SORT OF THING. MARTIN 172 STEIN.

In spite of RAVEN'S statement to VON HEYER that ENGELS
would give him detailed instructions, VON HEYER stated that ENGELS
did not give him much detail as to what Germany wanted. However,
VON HEYER was interrogated on the basis of the well known "Admiralty
Questionnaire" and his answers indicate that although he denies
being familiar with the questionnaire as such, he had received the
great bulk of the questions from some one. Roughly, the questions
are about as follows:

Information regarding (1) ore shipments from South America to the
U.S.A., Canada and England, (2) U. S. ship movements to the Red Sea,
together with all information as to cargo, departure, ports of des-
tination, and the most exact possible description of the route; (3)
all changes of flag en route, whether ships were travelling alone or
in convoy, when the ship left its last port, and when it arrived in Rio,
what courses were followed, whether there were any changes of flag,
what meetings with other ships took place en route together with the
type and nationality of ships met, and signals exchanged when the
meeting took place.

The possibility of course exists that the bulk of
specific instructions on what to get and how to get it were sent by
micro dot or courier to ENGELS. The LEO letter of March 17, 1942
containing a micro dot which set forth questions about aircraft
supports this thought.

The messages actually sent of course tell the best story
about what the agents were instructed to find out. The information
as set out in the intercepted messages bears out, to some extent,
ENGELS' statement that he was instructed to send anything "which
might be interesting to the Oberkommando der Wehrmacht."

RADIO CEL;
ALBRECHT GUSTAV ENGELS, WAS; ETAL.

XVIII. DOCUMENTS

No success whatever has attended the efforts to locate documents of the subjects in the CEL group.

ENGELS and VON HEYER maintained that they destroyed all documents before their respective arrests. VON HEYER had just finished destroying the last of his documents when the police arrived to arrest him.

The nearest thing to documents existing in the case is the great volume of radio intercepts to and from Germany. However, these intercepts are discussed under Section XV. and no discussion of them will be repeated.

The only bit of physical evidence against the subjects is their radio equipment. After the sentencing of the subjects, which is expected in the near future, the transmitter will be forwarded to the Bureau for a time for study.